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NEAR EAST/SOUTH ASIA REPORT

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IMPACT OF KUWAIT AL-MANAKH CRISIS ON GULF ECONOMIES DISCUSSED

London AL-MAJALLAH in Arabic No 182, 6-12 Aug 83 pp 36-40

[Article by AL-MAJALLAH's Gulf Bureau: "The U.S. State Department Is Asking: 'What Are the Facts About the 'Suq al-Manakh' Crisis in Kuwait? What Have Been the Effects on the Economies of the Gulf?'"]

[Text] The amount of money involved totals \$90 billion.

The decline of the "Suq al-Jawharah" in Bahrain is due to the fact that it has been affected by the market in Kuwait.

The "Suq al-Manakh" crisis is still going on and it is threatening many shareholders with bankruptcy, in spite of the many solutions which have been proposed for this crisis. Not only has this crisis not yet definitely come to an end in Kuwait. It has also affected the 'Suq al-Jawharah' in Bahrain as well as some sharetraders in the UAE and in other parts of the Gulf area. How did this come about, and is it possible that this crisis could become contagious and spread to other stock markets in the Arab world? In this study AL-MAJALLAH attempts to analyze all aspects of the "Suq al-Jawharah" crisis.

In Kuwait, and in a somewhat tense atmosphere, news concerning the "Suq al-Manakh" is once again dominating the headlines of the main newspapers after the crisis had calmed down somewhat. Perhaps this has been because of the proposals put forward by the Kuwait Chamber of Commerce and Industry and sent to the Amir of Kuwait, and perhaps it has been because of the fact that some businessmen have been filing bankruptcy! Perhaps the reason has also been the fact that prominent owners of capital have been involved in this crisis and their cases have been referred to the Office of the Public Prosecutor! Perhaps the reason has also been that the solutions and proposals suggested have not been able to eliminate the crisis. Perhaps it has been for all of these reasons together that Kuwaiti society as a whole, and Kuwaiti political and business circles in particular, are once again feeling the tension.

But regardless of all of these reasons, this state of tension is something which has forced high officials to seek out a quick solution which would save the "sharetraders" and save Kuwait's economic reputation. It has been proposed, for example, that the Amir of Kuwait intervene and use his constitutional right to issue legislation which would support the proposals put forward by the Chamber of Commerce or call an emergency session of the National Assembly.

Furthermore, concern about the crisis is not something which has stopped at the borders of Kuwait. Circles in the West are also concerned about it, and some documents have revealed the fact that the U.S. State Department is alarmed about the crisis. This state of alarm has impelled the U.S. State Department to send telegrams to the U.S. Embassy in Kuwait, requesting that this embassy provide answers to a series of questions concerning the capability of banks to honor their obligations and concerning the category of people most hurt by the crisis.

The fact is that the proposals which the Kuwait Chamber of Commerce forwarded to Shaykh Jabir al-Ahmad al-Sabah, the Amir of Kuwait, have not been the first attempt to find a solution for the crisis. There have been two previous attempts. The first attempt was made 2 years ago when the Chamber of Commerce successfully supported the government in its effort to contain the crisis and save many persons from bankruptcy. But the solutions tried out 2 years ago were apparently not fundamental solutions able to prevent the crisis from reoccurring. Proof of this is what happened last November when the "Suq al-Manakh" crisis turned into a critical problem threatening the existence of the Kuwaiti economy and threatening to deal it a fatal blow. The second attempt made by the Kuwaiti Chamber of Commerce was when it intervened and put forward some solutions for solving the problem after it had studied all of the opinions and proposals made. The Chamber of Commerce then held a number of meetings with ministers in the government as well as large-scale and small-scale market sharetraders. After a whole month of these efforts, the Chamber of Commerce arrived at a type of solution which stipulated "reducing debts on the basis of the cash price current at the time that a particular deal was concluded, plus a profit percentage of between 25 and 50 percent, and with the loans to be repaid in installments." The sharetraders agreed to this solution. It was on this basis that Law Number 59 of 1982 was issued, and it was then followed by the third law in 1983.

However, all of this did not provide a solution to the problem. The proposals by the Chamber of Commerce were not carried out because of the objection of the large-scale sharetraders, and it was impossible to come up with enough cash liquidity to repay the loans. According to the proposals made by the Chamber of Commerce, the amount required to do this was 26.7 billion Kuwaiti dinars, whereas the total amount of money circulating in the entire market was no more than 4 billion dinars.

The proposals of the Chamber of Commerce this time do not differ much from the previous proposals. They boil down to reducing the debt so that it would not be less than the value of all property and assets. This would mean that a debtor would pay to his creditor all of his assets, without exception, and that if these assets were not enough to totally repay the debts, then he would be exempt from paying the remainder of the debts and would not have to declare himself legally bankrupt. Although this proposal is not the first change proposed for Law Number 59 of 1982 dealing with sharetrading, and although it is not the first legal attempt that has been made, it may nevertheless have better luck than previous changes have had. The reason for this is that this proposal is being made in the midst of an atmosphere which differs from that which accompanied the beginning stages of the crisis.

There are new circumstances which are now affecting the large-scale sharetraders and which are imposing a particular psychological condition on the market and are making the proposals more acceptable.

A Year Ago

About a year ago the al-Manakh crisis exploded in Kuwait. Many of the places of business in the "Suq al-Manakh" closed their doors either because they were instructed to do so by the authorities having the task of settling disputes between the sharetraders or else because of the recession in business. In any case, the market is sluggish, and many of the places of business have been closed by order of the Arbitration Commission and they are prohibited from opening up for business.

The "Suq al-Manakh" business activity has been switched over to the "offices" in the residences of sharetraders and others, and they are following the news about the market in an atmosphere dominated by numerous stories which are being told concerning the "Knights of al-Manakh." The last of these stories concerns what happened to three of the large-scale sharetraders, and it was as follows:

The first of these sharetraders is Mr Kh. Kh. whose debts totalled 600 million dinars after all of the settlements which had been made involving selling his real estate and liquidating his property and liquid capital. He attempted to commit suicide by burning himself. Right now he is lying in a hospital in Kuwait and is suffering from what the doctors have labelled third-degree burns. The official reason given for these burns is that they occurred while he was lighting a gas stove to make himself some tea.

The second sharetrader in this group is a merchant known as 'Aziz who fled the country and left behind his places of business "to be liquidated." The Kuwaiti market, perhaps for the first time in the life of this merchant, saw discounts of up to 50 percent [in his stores]. He is one merchant who refused to make discounts of even 1 fil, even if the buyer were his own father. His stores were then besieged by a mob of consumers who previously had not been able to purchase his goods because their prices were so terribly high. The third Knight of al-Manakh in this group is Mr S.S., a large-scale sharetrader in the market. He was sentenced to prison for 4 years and was ordered to pay the sum of 1,000 dinars to institute a stay of execution of his punishment for the duration only of the period of his appeal process. This sentence was passed not because of his dealings in the "Suq al-Manakh"--although he was involved in them. The sentence was passed because he had brought into the country seven suitcases which contained bottles of alcoholic beverages.

In addition to the three above-mentioned cases, there have been many bankruptcies, many cases have been referred to the Office of the Public Prosecutor, and many decisions involving preventive custody and travel bans have been issued by the Arbitration Commission against brothers, wives, and children [of the sharetraders involved in the crisis].

By last 15 May cases involving a total of 75 persons had been referred to the Office of the Public Prosecutor, and a total of 38 persons had been placed in preventive custody. A total of 7,858 rulings had been issued by the Arbitration

Commission concerning persons whose cases had been referred to the organization of settlements, these rulings were made in favor of their creditors, and the amount of money involved to be paid to these creditors was 3.977 billion dinars. In addition to this, there have been 3,200 settlements involving a total of 2.7 billion dinars, and 748 complaints involving a total of 300 million dinars are being investigated.

In terms of the decisions made by the Arbitration Commission, the sharetraders involved have been divided into two groups. The first group is known as the "Group of Eight." This group consists of eight individuals whose debts total 18 billion dinars. They owe 13 billion dinars of this amount to each other, and the remaining 5 billion dinars consists of debts which they owe to other persons. Among these eight individuals there are two brothers--Jasim and Najib al-Mutawwa'. It has been openly stated that the debts of the former amount to 1 billion dinars, but he has denied this, saying that "he has made a settlement concerning part of this amount, and that the amount was 1 billion dinars only before this settlement was undertaken." Eight different court of justice chambers from among the 12 commercial courts were assigned to handle the cases of the Group of Eight--that is, a court for each individual! Although this appears to be something strange, we should inform you that, for example, one of the cases involves the sum of 3.25 million dinars and involves a total of 300 creditors and debtors! the second group of persons involved has been called the "Second-Line Group." This group has gone to the minister of commerce and asked him to create a fund for each group of persons whose cases have been referred to the Office of the Public Prosecutor to have their assets impounded, and the request has been that the fund have a minimum capital of 200 million dinars and a maximum capital of 1 billion dinars.

Why is it that matters have gone this far? How did this problem become a matter which preoccupies all of the authorities in Kuwait--even the Amir of Kuwait, who recently met with members of the board of the Chamber of Commerce in order to search for a solution to the problem--after numerous solutions have been proposed and numerous laws have been issued to deal with the problem, and after numerous bodies have been entrusted with the task of solving the problem? More important than these questions is the question now being raised in Kuwait, which is the following: Will a solution be found for the crisis this time, after all previous solutions have failed to result in a suitable formula for dealing with the problem? In fact, some people are now demanding that "experts be brought in from abroad to help suggest solutions."

It Happened One Summer

As we know, the crisis began last summer when an important event took place in Kuwait's unofficial stock market which is known as the "Suq al-Manakh." The effects of this event then spread to the official Kuwait Stock Exchange. What happened then was something that had never happened before. What happened was that some people stopped covering their checks. This then became a [general] phenomenon. Checks had become instruments of credit rather than instruments of payment, and this had resulted in the emergence of so-called "postdated checks." This caused government bodies at the time to suggest that banks become stricter when granting credit involving such checks.

The story of these checks began previously, when business opportunities were limited, capital was increasing, and the scope for speculation had expanded. One type of speculation was the so-called "margin buying." Hundreds of thousands of shares were being sold at many times their [stated] value right after they were issued (and perhaps before they were officially allowed to circulate in the stock market, as was the case with Gulf companies formed outside Kuwait or companies which were closed from the beginning). Also, the values were based on an instrument of payment which was not cash, but rather postdated checks. In the opinion of many persons, the time periods involved with the postdated checks were long enough to allow a person to buy and sell such shares, earn a profit, cover [the postdated check], and then end up with a surplus profit. But suddenly everything collapsed. It was as if the market were a building whose first floor had been pulled out from under it and then the whole structure collapsed. When information showing the scope of the problem was compiled it turned out that the postdated checks involved which could not be covered totalled 26 billion Kuwaiti dinars, that is, the equivalent of \$90 billion.

The questions now being asked are the following: Why did this crisis then affect the market in Bahrain? Why did the negative effects of the crisis affect some sharetraders in the UAE and other nations of the Gulf area? Why did the contagious disease of postdated checks in the "Suq al-Manakh" then afflict the "Suq al-Jawharah" in Bahrain and some of the sharetraders in other areas of the Gulf? Why did this disease not affect the other stock markets in the Arab world? Why did the crisis remain within the Gulf area?

What Happened in Jordan?

Let us first begin with one of the Arab stock markets which was not affected by what happened in the "Suq al-Manakh" and let us look at, for example, the Jordanian stock market. Mr Mustafa Shahbandar, director of the Arab Financial Corporation, which is the largest Jordanian financial corporation that buys and sells stocks or securities in Jordan, had the following to say: "The Jordanian stock market has not been affected by the events of the Kuwaiti 'Suqal-Manakh'. There are several reasons why this happened, and the most important of them is that the securities trading transactions in Jordan take place in the Amman Financial Market. This market is under the direct control of an administrative office which undertakes the job of monitoring the entire Jordanian stock market. This administrative office itself has the responsibility of regulating the relationship between the buyers and sellers in the market. This process of regulating this relationship takes place via brokerage offices which are licensed and authorized by the administration of the market itself. This administration is subject to the direct control of the state. Brokerage offices only carry out the directives of the market administration. Also, the process of subjecting the brokerage offices to monitoring by the government has led to the elimination of any disturbances which could arise as a result of what happens in the 'Suqal-Manakh' or any other Arab or international stock market. If, for example, we pursue this matter of giving the reasons why we hold this view, we could tell you that the Amman Financial Market, as a result of the fact that it has closely adhered to implementing the directives given by the market administration, has made licensed brokers the only means of payment of the value of sharetrading transactions which take place between buyers and sellers. That is, a seller receives from his broker the value of the shares which he has sold, and the

buyer, at the same time, pays to his broker the value of the shares which he has bought. Thus the brokers in the Jordanian stock market, because of their experience and the fact that they adhere to the market regulations, represent a safety valve between the two parties involved in the Jordanian stock market--that is, the buyer and seller. Thus the licensed brokers are fully responsible for any purchasing transaction in which a seller of shares does not possess sufficient shares in a company whose shares are being traded. Consequently a buyer can come into the stock market and be sure that he will receive shares which he has fully paid for. This is something which has led to the elimination of any risk which could arise due to the phenomenon of postdated checks. This is the phenomenon that was chiefly responsible for the crisis which occurred both in the Kuwaiti "Suq al-Manakh" and the "Suq al-Jawharah" in Bahrain."

And in Bahrain?

As for Bahrain, what happened there was something which no one expected. Bahrain has an unofficial market for circulating securities which is called the "Suq al-Jawharah." The market is not part of any government organization, and the market's brokers do not belong to any official body and are not subject to control by government authorities. The features of this stock market in Bahrain, then, are the same as those of the "Suq al-Manakh" in Kuwait. In fact, what has been going on in this market in Bahrain could be called a carbon copy of what has been going on in the "Suq al-Manakh." The Bahraini "Suq al-Jawharah" after what had happened in the Kuwaiti market, experienced a boom. The prices of shares circulated by the joint-stock companies participating in this market went up, and speculation by sharetraders in the market went beyond all bounds. The questions to be asked at this point are: Why is it that the Bahraini speculators went so far with their speculation? How did they get involved with the "Suq al-Manakh" in Kuwait? How did their involvement with the "Suq al-Manakh" affect the market in Bahrain? And why did the market in Bahrain also collapse only a few months after the occurrence of the tragedy in the "Suq al-Manakh?"

In Bahrain the situation of the national companies as well as that of the joint-stock corporations was strong. The price of a share in the National Bank of Bahrain was 22 or 23 Bahraini dinars. This price was going up at a rate of 6 dinars in a single day. However, in spite of the purchasing inducements offered by the Bahraini stock market to its investors, this still was not enough for these investors. Dealing in the Kuwaiti "Suq al-Manakh" via Kuwaiti individuals was something which was more tempting because the profits earned in that market were incredible profits and capital in the "Suq al-Manakh" also circulated with incredible speed. As a result of this, Bahraini investors would purchase the shares of Gulf companies in the Bahraini market and sell them to Kuwaiti investors in the "Suq al-Manakh" at many times their original price. However, payment for the shares was done by means of postdated checks which were given to the Bahrainis by the Kuwaitis. The maturity dates of these checks ranged from 3 months to 1 year. These temptations also induced small-scale investors to enter into the fray, and even people who possessed no shares or capital got into the act.

The question at this point is: How did these people get involved in the "Suq al-Manakh" in Kuwait? The answer to this question is very simple. These investors obtained loans from banks. These loans were obtained by using as collateral the

real estate which they owned or by having them guaranteed by wealthy persons who had current accounts in banks, owned real estate, etc. This whole operation took place on the basis of these investors purchasing Gulf shares in the Bahraini market and then immediately selling them in the al-Manakh Market at far higher prices, with the means of payment being these postdated checks. When the catastrophe occurred and the Kuwaiti "Suq al-Manakh" crashed, the problem then fell down on the heads of the Bahraini investors, and both the large-scale and small-scale investors suffered. The crisis occurred last February and March, and occurred on two levels:

The first level involved small-scale investors who took out loans from banks in order to purchase shares and then sell them in the "Suq al-Manakh." For example, a person would borrow \$20,000 and anticipate that a particular share price would double after the buying and selling transactions took place in the "Suq al-Manakh" and he therefore thought that repayment of this loan as well as the interest on the loan would be something that he would certainly be able to accomplish--and thought that it was guaranteed that the whole operation would result in a profit for him as well. But with the crash of the "Suq al-Manakh" and consequent decline of the prices of the shares traded there, this meant that the value of these shares drastically declined instead of greatly increasing. Whoever had received postdated checks and was owed sums of money according to them began to find it difficult to collect this money because many of the Kuwaiti investors went bankrupt. This resulted in the fact that small-scale Bahraini investors were unable to repay the loans which had been granted to them by the banks. As a result of this, they lost their real estate, automobiles, or other stocks which they owned, and thus the crisis occurred.

The second level of this tragedy involved what happened after the failure of Kuwaiti sharetraders to cover the value of the postdated checks which they had given to the Bahraini investors and the fact that they were subsequently faced with bankruptcy. They then proceeded to sell the shares that they owned in the Bahraini stock market and thus flooded the market with their shares, thereby greatly increasing the supply of shares. Since the sharetraders were afraid of bankruptcy and afraid that what happened in the "Suq al-Manakh" would be repeated, and also due to the decrease in oil prices and the fact that oil-producing nations reduced their expenditures on the construction and development projects which were providing a great deal of business and profits for the joint-stock companies, there was a decrease in the demand for the shares which were being offered in abundance in the market. The result was that the price of a single share, which was 23 or 24 Bahraini dinars, went down to 6 or 7 dinars--in the best of cases. It was then no longer logical to trade shares in the market, so the "Suq al-Jawharah" lost all its clients.

This is exactly what happened in the Bahraini stock market, and experts in Bahrain have labelled this event as the "first descent." But from early April till early May of this year, and with no advance warning or expectation, the prices of the shares of some of the joint-stock companies began to gradually go up. They finally went up as much as 100 percent. The price of a single share from the National Bank of Bahrain went up from 6 Bahraini dinars to more than 13 dinars. The same thing happened with the prices of shares of the Bank of Bahrain and Kuwait. The price of its shares went up from 7 dinars to more

than 14 dinars. What happened in the case of these two banks also happened in the case of the al-Ahli Commercial Bank, the price of whose shares went up from 5 Bahraini dinars to 11 dinars. The number of shares circulating in the market went up from 0 in March and April to more than 100,000 shares per day at the beginning of May. This boom in the Bahraini "Suq al-Jawharah" occurred in spite of the fact that the crisis in the "Suq al-Manakh" in Kuwait had not yet come to an end. It also occurred in spite of the fact that oil prices had still not begun to go up and in spite of the fact that many Kuwaiti investors had not been able to repay the mounting debts which they owed to Bahraini sharetraders and which had involved giving the Bahraini sharetraders postdated checks. Experts in the Bahraini stock market have endeavored to give their reasons why this upswing in business in the local stock market occurred then. In fact, they have summarized their opinions concerning this phenomenon in seven points, which are the following:

1. Confidence was somewhat restored to the sharetrading market as a result of the fact that some large-scale sharetraders in the Bahraini market obtained some of the sums of money owed to them by Gulf sharetraders.
2. This situation coincided with the occurrence of a series of economic factors which involved the entry of new groups of people into the sharetrading market. Many people categorize these new groups of people as being medium-scale investors.
3. Trading in the stock market still constitutes an appropriate outlet for investors to circulate securities, especially since individual investors are still faced with a lack of other opportunities to make investments.
4. The plan to establish a sharetrading investment company led some sharetraders in the Bahraini market to regain some degree of confidence in doing sharetrading in that market. This was due to the fact that the existence of such a company, which would be the first of its kind in Bahrain and would enjoy a tremendous and unique financial position there, would necessarily lead to the creation of greater balance between the forces of supply and demand and would in the end lead to the creation of a state of equilibrium in the dynamics of the market.
5. There are indications that a solution will be reached for the problem experienced by one large-scale Bahraini sharetrader who recently was on the brink of bankruptcy. This sharetrader repaid to his creditors a large share of the debt which he had accumulated by paying them in the form of shares that he possessed. This induced these creditors to once more enter the stock market and to begin to engage in sharetrading there in a manner which more or less bolstered people's confidence.
6. Right now one public financial corporation in Bahrain is inclined to once more enter the stock market and engage in buying and selling there. If a corporation such as this one enters the stock market again, there is no doubt that this will result in setting the wheels of business activity in this market in motion once more.
7. A number of official [brokerage] offices have begun to do business in the area of trading international and Gulf shares, and this has enabled Bahraini

individuals to engage in such sharetrading either directly or by means of working together with Gulf sharetraders.

These are the seven points which Bahraini experts came up with in an effort to explain the limited improvement in business which occurred in the Bahraini stock market during the period of time that it applied to. However, after this improvement in business had been going on for a number of weeks--to be more exact, at the beginning of last June and after the market experts had already made their analyses--everyone was once again surprised by a 50 percent decrease in the share prices which took place in this market. Prices once again went down to where they were, thus invalidating all of the analyses which these experts had made, and prices then assumed their normal proportions in view of the al-Manakh Market crisis. But just as the experts had hastened to find explanations for the improvement in business which had previously taken place and which had come to an end, they also raced to formulate explanations for this new decline in business and called it the "second descent." What did they say this time?

'Abd-al-Nabi al-Shu'lah, a member of the administrative board of the Bahrain Chamber of Commerce, said: "It is difficult for us to isolate the causative factors concerning what happened in the Bahraini market from those concerning what happened in the 'Suq al-Manakh.' It is difficult for us to make judgments concerning these causative factors in isolation from the effects of the recent decline in oil prices. It is difficult for us to do either of these two things because the background circumstances which affected both the first and second decline in sharetrading prices in the Bahraini market are background circumstances which are both all-encompassing and have many ramifications. Their dimensions are not restricted to involving only these causative factors or these effects. This whole matter also involves purely internal factors. These factors were influenced by surrounding external factors and, in turn, influenced the volume of business in the sharetrading market as well as the levels of the share prices. On the basis of this premise, we can establish the reasons for what happened as being the following:

1. The thing that recently happened in the Kuwaiti 'Suq al-Manakh'--that is, the closing of places of business, the liquidation of some sharetraders' companies and possessions, and the complete shutdown of all of the activities involved--caused sharetraders in the other Gulf markets to lose a certain degree of confidence. The markets in the Gulf, of course, influence each other, and this is a factor which we cannot ignore. For this reason, this crisis in confidence was something which affected the market in Bahrain.
2. The effects of the recent decline in oil prices and the resulting decrease in the incomes of the oil-producing nations emerged in more intense form during this particular period of time than they did during the time right after the decision to lower [the oil prices]. For this reason, it was not unlikely that these effects would spill over and deal some crushing blows to either the Bahraini stock market or the other Gulf markets at this time.

3. All of these effects were felt at a time when one of the large-scale share-traders in the local stock market went bankrupt. In addition to this, the maturity dates arrived for a number of investors, who had previously bought their shares by means of postdated checks, to honor their obligations.

4. Official bodies had been lenient in the case of some investors, and this caused the crisis to become worse and caused the situation to reach the low point where it is right now."

Hasan Ibrahim Kamal, one of the large-scale sharetraders in the Bahraini stock market, said: "The causes of the occurrence of the second decline in stock prices in the Bahraini 'Suq al-Jawharah' are to be found in the disappearance of the causative factors which led to the occurrence of the exceptional boom in business which was observed during the latter part of April and early May and for which the experts gave seven reasons. The disappearance of these causative factors lowered the posted share prices and the number of deals made with numerous shares being traded, and their situation consequently became the worst that it had been since the occurrence of the first sharp decline last January, February, and March."

Muhammad Mubarak Qahtan, one of the prominent brokers in the Bahraini stock market, interprets the reasons for the second decline in share prices in the local market as follows: "Share prices increased last April and May because banks and government agencies had made loans to some of the Bahraini investors in order to enable them to purchase shares in the Kuwaiti 'Suqal-Manakh'. But after this market collapsed and because Kuwaiti investors were unable to cover the value of the postdated checks which they had given to Bahraini share-traders, these [Bahraini] sharetraders were unable to repay the loans which they had obtained from these banks. The lending banks then undertook to purchase a portion of the debt by buying up shares which their debtors owned. This then absorbed a portion of the shares which were up for sale in the market and caused a certain degree of circulation in the market. The prices of the shares of some of the joint-stock companies whose shares circulated in the market then went up during this period of time. However, after the banks felt that they had bought enough of the shares that they had acquired during this period of time, the prices of the shares and the quantities of shares circulating then assumed the dimensions which they had assumed before since the effects and causes of the crisis had not yet come to an end."

A Securities Market in the UAE

While the attention of businessmen and owners of capital in the Gulf area was still focused on the "Suqal-Manakh" crisis and the attempts to deal with it which consisted of efforts undertaken by the [Kuwaiti] government--including directives issued by the National Assembly and solutions proposed by the [Kuwaiti] Chamber of Commerce--the UAE government announced that a securities market was going to be set up in the UAE. It was said that this market would be set up as soon as possible after the committee formed for this purpose had completed its work and secured the participation of all of the bodies concerned such as the Federation of Chambers of Commerce, the Central Bank, the commercial banks, the Ministry of Finance and Industry, the Ministry of Economy and Commerce, the Secretariat of the Municipalities, and the investment funds. The

committee also had to refer the draft law concerned to the minister of finance and industry so that the draft law would enter its legislative cycle process before being issued as a law sometime during early next year. This is contrary to previous statements made by the chairman and members of this committee to the effect that the market was scheduled to begin its activity in early 1983. All this is going on at a time when the total value of a series of checks, presented by their UAE bearers to be registered by the committee which is dealing with ways to protect UAE citizens suffering losses as a result of the "Suqal-Manakh" crisis, amounts to about 500 million [UAE] dirhams. Authoritative sources, however, assure us that the real figure is far higher. The reason they say this is that the large-scale merchants, personalities in government, and members of the ruling families--in an effort to maintain their status and reputations--have not come forward and presented the checks for which they are owed money.

Sources associated with the committee, the chairman of which is Shaykh 'Abd-al-'Aziz al-Qasimi, head of the Federation of Chambers [of Commerce and Industry], have pointed out that most of the UAE sharetraders who have suffered losses due to the crisis are from al-Shariqah and the northern Emirates. Most of these individuals borrowed huge sums of money from banks in order to guarantee and cover their postdated checks. When the crisis began, they were surprised by the stop in business activity and caught in a situation where they owed very large sums of money. Some of them were unable to even pay the interest on their loans--not to mention the loan principals. While the work of the committee was going on--a committee including many persons who had suffered losses as a result of the crisis and many members of the chambers of commerce--it was being said that the committee had sent the results of its contacts to Shaykh Hamdan Ibn Rashid, the minister of finance and industry, and that the head of the committee had twice contacted Kuwaiti authorities in order to submit solutions and proposals. It was being said that 30 percent of the postdated checks involved UAE citizens who had made deals or who had purchased [shares], and that the interest payments in the cases of some of the deals had come to amount to about 1,200 percent of the original value of the shares.

Dr 'Abd-al-Maqsud 'Isa, member of the Technical Committee which has been entrusted with the task of preparing the draft law dealing with the new securities market and its bylaws, confirms the importance and necessity of having this market. He pointed out the following: "The UAE has an unofficial securities market. Since the market is unofficial, it is a market which is unregulated, is a market where no guidelines are in force concerning buying and selling transactions, and is a market where no particular official system or law governs sharetrading. This market--if one can call it that--was particularly active during 1981 and the first half of 1982. This activity was a result of the hysterical activity which took place in the 'Suqal-Manakh' in Kuwait. It was during that period of time that the sharetrading fever especially took hold among citizens of the UAE. The volume of trading was heavy, and the level of share circulation among buyers and sellers was very high. It was also during this period of time that we saw the emergence of many of the Gulf companies which were formed in the UAE. But most of these companies were unfortunately companies which existed only on paper. In other words, they engaged in no real business activity and the objective of forming these companies was merely to speculate with the companies' shares in the market. We then witnessed how

the prices of the shares of these companies 'miraculously' rose to unbelievably high levels, but the only reason for this was the speculation hysteria which spread among people just as a fire rapidly spreads when straw is burning. After the crisis which the 'Suq al-Manakh' in Kuwait was inevitably to experience ever since the beginning of last year, it was then the turn of the unregulated sharetrading market in the UAE to experience a crisis. The UAE market was then hit by a recession, then a slump in business, and then business came to a standstill. The losses suffered were great and heavy ones, and the shares which people ended up with were nothing more than pieces of paper which found no buyers--not even at prices which were less than the nominal value at which they were issued. This was the way it was in most cases, and the only exceptions were, of course, the shares of a small number of successful companies which were actually earning profits and whose financial status was a strong one."

Dr 'Isa, a member of the Technical Committee which includes representatives from four bodies--which are the Federation of Chambers of Commerce, the Ministry of Economy and Commerce, the UAE Central Bank, and the Office of Islamic Legal Rulings and Legislation--gave us some information concerning the proposed form of the UAE's securities market. He said: "The securities market, according to the draft law, will be a legal person possessing financial and administrative independence and will be tantamount to a public corporation, although it will be subject to the provisions of the laws concerned which are in effect in the UAE, provided that they do not conflict with the provisions of the Market Law. This is the form which has been proposed in the draft law for the market to be established unless changes are introduced in it. After the Technical Work Committee finished preparing the draft law and after the market's Higher Constituent Committee studied it, it was sent up to the minister of finance and industry for him to review and then refer to the Council of Ministers--after which the draft law is supposed to assume its normal legislative course in the existing channels of the UAE government. Commencement of the market's business activity right now depends upon having this law be issued, and we will only know in the future whether or not this law will be issued. However, we are hoping that all of this will take place fairly quickly because the issuance of a law such as this will constitute a step toward regulating an important area of commercial life in the UAE. As far as the manner in which the market will be operated is concerned, the general trend is that the market will be an advanced one in terms of its techniques of operation. It has been proposed that the system of operating the market could be accomplished totally by means of utilizing computers. However, it has also been proposed that operation of the market by means of computers be preceded by a transition stage involving having a center for coordinating [the market's activities] via a network of telephone lines in order to sound out the pulse of the market--and then later make preparations for the utilization of computers as a permanent alternative means of operating the market."

The Nature of the Market

Dr 'Isa, who is a member of the Technical Committee and also is the director of economic studies in the UAE Federation of Chambers of Commerce, went on to say: "The new market will be greatly beneficial in the realm of stimulating and developing the issuing market (the primary market) and the circulation market (the secondary market). It will consequently contribute toward developing

individual savings by inducing individuals to put the savings into subscriptions for the shares of new companies which will be issued. This is what is meant by the 'primary market.' Furthermore, individuals will feel encouraged to trade in the market as long as the market is regulated by means of general guidelines. This circulation market is what we have in mind when talking about the 'secondary market.' The result of this is that these savings will be invested in the best possible manner because the only shares which will be traded in the market will be the shares of organized corporations which enjoy a good financial status. There is an article contained in the draft law which says that sharetrading will be prohibited at any other place except at official market sharetrading centers and that the Higher Market Commission, by way of exception, may allow sharetrading to take place somewhere else--but the sharetrading at other places must be in accordance with special laws or regulations. What this provision means is that buying and selling shares can take place outside the official stock market centers of business (the so-called 'parallel market') only in accordance with laws and regulations established for the market by the Higher Market Commission. The significance of this is that the 'parallel market' will also be a market regulated by particular laws dealing with the buying and selling of shares. This will help to stimulate individuals to once more engage in the buying and selling of securities after their confidence in this type of business was shaken due to the effects of the 'Suqal-Manakh' crisis. Perhaps this is the real lesson to be learned from the crisis which afflicted the sharetrading market in the 'Suq al-Manakh'. What this means is that no sharetrading transaction will be recognized unless it takes place in accordance with the method prescribed, and consequently a purchaser who does not act in accordance with this accepted method will not be able to officially confirm the transfer of the shares which he is purchasing. The second lesson learned is what is reflected in the draft law's provision which states that the Market Administration Committee (a technical committee which comes after the Higher Market Commission in terms of the organizational chart of the market) has the right to intervene and stop changes which are occurring in the prices of any securities or stop them from being circulated if this committee sees that these changes have been the result of manipulation or fraud. Furthermore, the necessary guidelines will be established concerning this matter. The market will also provide a new opportunity for allowing both the federal government and the local government in the UAE to cover their financing requirements by means of putting up bonds for sale in this market. In general, the market will play an important role in regulating and controlling everything having to do with such securities, whether they are stocks, bonds, or other such papers." Dr 'Isa concluded his remarks by saying: "The Technical Work Committee is still continuing its efforts to prepare the draft of the market's bylaws. It will introduce the necessary changes in this draft after such possible changes have been discussed by the appropriate bodies concerned. Furthermore, a technical team from the International Finance Corporation is carrying out a task entrusted to it which concerns market operation alternatives--so that everything will be ready when the law is issued and is begun to be put into effect. It should also be pointed out that the Technical Committee has been engaging in its work since last October. In spite of the fact that this committee has made a study of all of the laws and regulations utilized by the stock exchanges of some Arab and foreign nations, the fact is that the Council of ministers, with all of the intricate circumstances in which this body carries out its work, has continually made its wishes felt in terms of having the provisions be in line

with the facts of the situation. The facts of the situation have definitely demonstrated that it will be possible to set up such a market after stock has been taken of the readiness of the public joint-stock corporations to participate in the market and [stock has been taken of the] shares which will be able to be traded in the market. All this is in addition to the tremendous capability which owners of capital have for engaging in trading shares in the market. This is something which has been demonstrated without doubt by recent events, particularly after the rejection of the applications made by 70 local companies which had been submitted in an effort to have these companies be able to trade in the stock exchange which is to be set up. This rejection was based primarily on the premise that these companies were unable to meet the necessary conditions and specifications for dealing in the market."

This concludes our discussion of what happened in the Gulf and Arab stock markets after the complication of the al-Manakh crisis and after the consequences of this crisis spread to other markets. But experts have assured us that the crisis is still not over. The authorities in Kuwait are still searching for a way out of the crisis. The path which they are pursuing is sometimes that of settlement of accounts, sometimes it involves having the state bear the burden of paying the value of the postdated checks, and sometimes it means having these checks being covered by having the amounts be repaid as debt installments. But, as we have said, the crisis is not yet over. It is not yet over either in the "Suq al-Manakh" in Kuwait nor in the "Suq al-Jawharah" in Bahrain. A recession still prevails in both of these markets, and prices there are still either going down or else, at best, staying at the same level. This is true in spite of the measures which are vigorously being pursued by the Bahraini Ministry of Commerce and Agriculture--measures which mainly consist of efforts to quickly establish a stock exchange for the buying and selling of securities--and in spite of the efforts being made by the Bahrain Chamber of Commerce and Industry to restore confidence in the Bahraini stock market and to increase the awareness of investors by means of holding symposiums and meetings with experts, journalists, and people in the other informational media.

9468

CSO: 4404/549

REPORT ON ARMENIAN CONFERENCE IN LAUSANNE

London AL-DUSTUR in Arabic No 298, 8 Aug 83 p 35

[Article: "The Armenian Conference Adopts the Assassination Tactic"]

[Text] It appears that Armenian armed violence against Turkish targets has become a continuous and interlinked process. The embassy operation in Lisbon in which five Armenians blew themselves up was not the last of its kind; it was preceded by some successful operations and some unsuccessful ones. The Portuguese commandos who stormed the Turkish embassy in Lisbon were trained by the special section of the anti-terrorist office in Britain. The British have had a very successful record in combatting terrorism in general and the operations of Armenian extremists in particular. The veil was removed from an operation that was to be staged in the streets of London a year from now.

Information that leaked out of Beirut led the men of the Special Branch of the anti-terrorist office in Britain to pick up the thread. As a result, the impact of the blood bath for which individuals of the Armenian Secret Army were preparing last September was neutralized. Informed sources are inclined to believe the objective of the fanatics from the above-mentioned army was either to assassinate the Turkish ambassador in London or to occupy the Turkish embassy.

A secret pursuit had begun whose heroes were the detectives of the Special Branch and their quarry was Zaven Petrosian, a professional terrorist trained in assassination in Syria. Reports in the possession of the Special Branch revealed that Petros came from Damascus and rented a room in a London hotel. A painstaking investigation disclosed that he got in touch with a person named Garish Gregorian, an Iranian Armenian. The available information indicated that Gregorian was one of the founders of the political wing of the Armenian Secret Army organization.

The agents of the Special Branch did not waste any time. After seeing Zaven enter his hotel carrying a suspicious-looking bag under his arm, two groups quickly moved in on him. After arresting him, they found in his room explosives and a Russian-made rifle in addition to a quantity of ammunition and bullets. Gregorian was arrested in his house and charged with giving Zaven the above-mentioned arms and participating in the plan to assassinate the Turkish ambassador.

The trial of Zaven and Gregorian surprised observers. Zaven was sentenced to 8 years in prison while Gregorian was acquitted for lack of evidence. Zaven lost no time in admitting to Scotland Yard detectives his role immediately after his arrest. He told them he had come (to London) after receiving training in Syria to assassinate an important Turk and that he would not hesitate to assassinate any Turk after leaving prison.

It is common knowledge that the Armenian Secret Army of which both Zaven and Gregorian are members carried out numerous operations against miscellaneous Turkish targets in order to avenge what they describe as the massacre of a million and a half Armenians by the Turkish government in 1915. Moreover, one of the goals of the army is to extract a public admission from the Turks of their responsibility for the massacre. Hence, they raised the question of an international court to condemn the Turkish massacre as the Nuremberg trials did the Nazis.

But the highest goal in the eyes of the Secret Army extremists is to "establish a free Armenia" in Eastern Turkey.

However, official Turkey through its successive governments in recent years has paid no attention to the demands and actions of the Armenian Secret Army. The Turkish stand on this matter is firm and not likely to change. In fact, it lately assumed an extreme form when Turkish officials announced after the explosion in the Turkish Airline offices in Orly Airport that killed 11 persons that the Turkish authorities will not keep quiet about Armenian terrorism and that the situation may ultimately require Turkey's sending "death squads" to pursue individual members of the Secret Army.

It is worth noting that since the creation of the Armenian Secret Army, called ASALA for short, more than 30 Turkish officials, most of them diplomats, have been assassinated. Western sources revealed that the Armenian assassination squads changed after the headquarters of their leaders in Beirut were evacuated to army camps, one in Syria and another in Cyprus. However, the fact that Zaven confessed his terrorist role shortly before his trial in London and his pledge to continue the assassination operations after completing his jail term suggest that the Armenian Secret Army will not halt its operations in the future.

In addition to admitting his role and intentions in the assassination operations during the trial, Zaven confessed that he was the leader of a 5-man death squad. He noted that Gregorian was just a friend. The person who supplied him with arms and whose identity and place of residence are unknown, he said, is named "Gevork."

The meetings of the so-called Armenian Conference in Exile concluded two weeks ago in Lausanne. At the end of the meetings an agreement was signed calling for the Armenian people to continue their struggle "in various forms" to regain their rights. At the same conference there was formed a nucleus of what was called the National Liberation Movement aimed at recovering the motherland from Turkish control. The priest James Karnosian through whose personal efforts the conference was held and who was later elected president expressed the general

attitude of the conferees in saying: "Despite the fact that the conference is primarily political, it does not deny the military role of the Armenian fighters." He added: "The Armenian military role may become an absolute necessity in the near future."



The priest James Karnosian (right) and Richard (Daute) during the meeting of the Armenian conference in Lausanne.

5214
CSO: 4604/39

APPROPRIATE USE OF PETROLEUM RESOURCES EXAMINED

Cairo AL-AHRAM AL-IQTISADI in Arabic No 758, 25 Jul 83 pp 30-33

[Article by Dr Mahmud Sayyid Amin: "Conservation of Egyptian Oil In Order to Protect the National Economy"]

[Text] The Egyptian oil industry is a thriving one. However, this prosperity is only prosperity on the surface because if we increase our rate of oil production this will lead to a shortage in the available petroleum energy which is necessary for agricultural and industrial production as well as other development in Egypt--a shortage which will occur sooner than many people anticipate. This will happen unless we quickly establish general guidelines for Egypt's oil exploration and production.

Dear editor in chief:

Greetings.

There is a question which gets asked from time to time, and it concerns what Egypt's real petroleum potential is. Is Egypt an oil-producing nation like the other oil-producing nations of the Middle East which have a surplus of oil and thus engage in exporting this surplus? Or is Egypt a nation with limited petroleum resources, but which pretends to be enjoying a thriving petroleum industry in order to continue with the policy based on the idea that "prosperity has arrived"? The answer to this question needs to be known by the authorities who are responsible for Egypt's policies and its economy in order that they be able to base their political and economic plans on realistic foundations. This is why, when President Mubarak assumed power at the end of 1981, I sent to him the enclosed memorandum which dealt with "conservation of Egyptian oil in order to protect the national economy." I also sent a copy of this memorandum to the minister of petroleum since he was the minister concerned with this matter, and I proposed to him that this subject be [publicly] discussed because of its utmost importance as far as providing oil for Egypt's future generations is concerned. I then received an immediate reply from the head of the Egyptian General Petroleum Corporation [EGPC], who

said that he had received the memorandum from the minister and that he would study it with those concerned in order to pave the way for a discussion concerning it. This was on 7 December 1981. However, more than a year has gone by and so far there has been no discussion concerning the matter, the memorandum enclosed, or the reply by the head of the EGPC. The memorandum states the following:

The Egyptian oil industry appears to be a thriving industry. But, in my opinion, this prosperity is only prosperity which is on the surface. Our political leaders and our public are being misled concerning this situation, and our petroleum reserves are being depleted at a rate which is higher than the rate of depletion of the world's petroleum reserves as a whole. And this is the case for Egypt, which is a nation that has only oil as a basic resource for the energy which it needs to keep its agriculture and industry moving.

The memorandum therefore demands the following:

There should be control of oil production and any increase in the current level of production should only be an increase which matches the increase in consumption. Also, more intensive efforts and investment should be made in the realm of exploring for oil in order that we increase our petroleum reserves and in order that we restore balance between our oil reserves and oil production. Nevertheless, the petroleum sector is avoiding and shying away from any discussion of this subject. Furthermore, in connection with our 5-year plan, the minister of petroleum has declared his determination to continue to increase production by our oil fields--from 35 to 63 million tons by the end of the plan period. This statement was made in spite of the continual decrease in oil prices in the world markets, in spite of the severe decrease in the total area where oil is being explored for--a decrease of about 80 percent during the last few years--and in spite of the decrease in the rate of investment made in oil exploration--with the rate of investment now being only \$1.50 per barrel at a time when a barrel of oil sells for nearly \$30.

Perhaps AL-AHRAM AL-IQTISADI could bring up for discussion the matter of Egypt's petroleum potential, the true facts about the so-called "prosperity of the Egyptian oil industry," and whether or not this prosperity is only prosperity on the surface or a concocted prosperity. If this prosperity is real prosperity, then this would be a fine thing and it is something to be welcomed. However, if it is only prosperity on the surface, then what should we do in order to conserve our oil resources--resources which our construction, agricultural, and industrial development depends on for the energy which it requires?

Egypt's oil production has gone up to about 35 million tons of oil and gas, and Egyptian oil has come to represent about 65 percent of Egypt's exports. This is a tremendous achievement, but it is also a cause for alarm at the same time. The reason for this is that petroleum is a depletable resource and cannot be renewed like industrial or agricultural products. As production by oil fields increases, our reserves of oil slowly decrease, and this cannot be compensated for other than by the discovery of new oil fields. However, there are limits to Egypt's potential for discovering new oil. This potential

has not greatly changed during the last 80 years. Even during the recent years of great oil-producing activity the rate of oil discovery did not greatly change from what it was when oil exploration activity began in Egypt. This rate of oil discovery is from 500 to 600 tons of oil and gas for each meter in the exploratory wells which are drilled. This is quite a low rate of oil discovery in comparison with that of, for example, the real oil-producing nations of the Middle East where the rate of oil discovery is several thousand tons of oil for each meter in the exploratory wells drilled. This is something which is attributable to the difference in geological structures [in Egypt as opposed to the other oil-producing nations of the Middle East].

This is no doubt one of the reasons why the Egyptian petroleum sector was unable to increase its oil production up to 50 million tons by 1980--as was promised years ago. This production target was then postponed till 1981. But then 1981 came, and our oil and gas production was only 35 million tons. It was then said that this production target would be reached by 1983/84. This was said in spite of the fact that the ratio of Egypt's oil production to its proven reserves came to be more than double the world average. This meant that Egypt was depleting its proven reserves at an ever faster rate.

In spite of the fact that these objectives were not achieved, and in spite of the fact that [Egypt's] reserves were being rapidly depleted, the general picture that our political and economic leaders as well as our general public had concerning the potential of the Egyptian industry began to be a picture which was far rosier than reality. The reason for this has been all the things that have been said concerning the Egyptian petroleum industry in terms of the following:

1. It has been said that Egypt's oil and gas production has increased from 7.5 million tons to about 35 million tons. This has been a tremendous increase in oil production, and the rate of production increase has been about 60 percent per year. However, this figure does not totally correspond to the real facts of the situation because, of these oil fields which are now producing at a rate of 35 million tons, some were producing at a rate of 20 million tons in 1970/71 before the decrease in the pressure in their reserves which caused their production to go down to a rate of 12.5 million tons in 1974. This indicates an increase in the rate of oil production ranging between 7.5 and 30 percent per year. This is true if one is justified in utilizing the production figure as a criterion for Egypt's petroleum potential. However, this is an inaccurate criterion because oil production increases and decreases according to the desires of those who exploit the oil resources. The real criterion which should be used is the rate of increase in proven oil resources. In the case of Egypt, this increase has been not more than 10 percent per year during the last 10 years.

2. It has been said that there has been a tremendous increase in the value of the total oil produced, exported, and consumed since 1974. However, we know that world oil prices increased more than ten-fold during this period of time, and this consequently means that this increase in value has been ten times the real increase in value.

3. It has been said that numerous oil agreements have been concluded, and this, in itself, has been a tremendous achievement on the part of the oil sector. However, people who are not specialists do not realize that concluding oil agreements does not necessarily mean that oil has been found. Oil exploration, in the best of cases, has a success rate of only 10 percent as far as discovery and production of oil is concerned. In Egypt, for example, 75 oil exploration agreements have been concluded since 1963, and only 6 of the companies have succeeded in finding and producing oil.

4. It has been said that dozens of oil discoveries have been announced. But again, people who are not specialists do not know that each discovery does not necessarily mean that a [profitable] new oil field has been found. A discovery might be a tremendous and valuable find, or--as is the case in many of the fields discovered--the quantity of oil found may be very scanty.

All of the rosy-sounding facts mentioned above induced our political and economic leaders to paint a picture about our oil situation which was too optimistic and to nurture high hopes concerning it. They might have done this in order to raise the public's morale. However, the effect of this has been the appearance of a lack of seriousness in our leaders' statements in the face of informed domestic and international public opinion and it has caused us to relax other production activities and to increase our appetite for consumption as if we lived in one of our neighboring Arab oil-producing nations.

Continuing to Take Care of Our Domestic Consumption Needs

There is no doubt about the fact that the Egyptian oil industry has achieved a great deal in the way of meeting our growing need for domestic consumption and providing us with a great deal of foreign currency via the export of Egypt's surplus oil.

However, can the Egyptian oil industry, in view of its real growth potential, continue with this production policy and, at the same time, hold to its commitment to meet our domestic consumption needs in the future? By the year 2000 it is estimated that Egypt's domestic consumption requirement will total about 50 million tons. This does not count the additional oil which must be produced in order to cover the expenses of exploration and production, provide foreign partners with their share, and then export a surplus. In order to accomplish all of this, it will be necessary for Egypt to produce from 75 to 100 million tons of oil per year by the year 2000. If this is to be done, Egypt will have to gradually increase its proven reserves of oil four- or five-fold during the next 15 years. Can the Egyptian oil sector meet these commitments and accomplish this?

The Effect of Domestic Consumption Control

This problem is made no less severe by all the talk that we are hearing concerning the necessity to have oil consumption control. The reason for this is that a great deal of the energy utilized in Egypt is still non-commercial energy such as the energy represented by human labor and animal labor and energy derived from plant and animal waste materials. The other forms of energy

constitute commercial energy such as oil and electricity, and the average Egyptian individual's consumption of these forms of energy is only from 20 to 25 percent of what the average individual worldwide consumes. If we take the nations of Western Europe, for example, we find that Egyptians consume only from 10 to 15 percent of what individuals in Western Europe consume. This does not leave much room for consumption control to be exercised by the average Egyptian individual. Egyptians are switching over from the utilization of non-commercial forms of energy to commercial forms of energy because of the mechanization of agriculture and irrigation, the electrification of rural areas, urban development, industrialization, and the increase in their standard of living. All of this increases the consumption of commercial forms of energy. For this reason, the [only] real opportunity for accomplishing oil consumption control would be to have existing electric power plants use nuclear power instead of oil as fuel, if possible, or else to accomplish energy consumption control in industry by selecting new machinery and equipment for factories which are the type that conserve energy.

Dealing With the Situation

Although oil consumption control is something which cannot be effectively carried out to any degree in the immediate future, the Egyptian oil sector still has the responsibility of achieving a balance between our real potential for building up oil reserves, the domestic consumption requirement which is increasing fast at the present time and will continue to do so in the future, and providing the foreign currency necessary for our economic development.

In order to reconcile these three requirements, it will be necessary to do the following:

1. For a period of 5 years, for example, we must increase our oil production only to the degree that there is an increase in our annual domestic consumption. This action will enable us to create strategic consumption reserves for the future, take care of our currently growing domestic consumption requirement, and continue to have the oil sector earn for us the foreign currency which we need for our development--at least to the extent that we currently earn foreign currency by exporting oil, which is about \$3 billion per year. No doubt this latter restriction is something with which the Egyptian public treasury would be displeased, since it has found that the oil industry and oil exports are an easy and abundant source of earning foreign currency. However, we must choose between continuing to increase our oil exports in order to earn more foreign currency and the consequences which this would have for us in terms of forcing us to import oil--at prices which are gradually going up--in order to take care of our future domestic consumption needs.
2. We must increase our proven reserves (rather than our oil production) at a rate of at least from 100 to 150 million tons per year. When I speak of increasing our proven reserves, I have in mind the development of our oil fields and the increase in reserves shown in the budgets of oil-production companies rather than the estimated reserves quoted by people who engage in the business of oil exploration.

The first of these two things which we must commit ourselves to is something which is easy to accomplish. However, in order to accomplish the second task, it will be necessary to change the organizational structure of the oil sector and concentrate on developing exploration and production operations. The organizational structure of the oil sector is based on having the Ministry of Petroleum which, in turn, supervises a single agency which is in charge of all petroleum affairs--which are the following:

1. Petroleum resources affairs. This means oil exploration and production. Right now 35 foreign, joint-venture, and Egyptian companies are engaging in the activity of oil exploration and production. In addition to this, about 15 contractors are performing services in connection with these operations. This activity is the backbone of the petroleum industry in Egypt, and it provides Egypt with oil production worth about \$9 billion.

2. Petroleum products affairs. This involves the manufacture of petroleum products needed by our domestic market, and also involves the domestic transport and marketing of these products. About 10 Egyptian and foreign companies are in charge of this activity. There is a big difference in the nature of the two types of activity mentioned in the two paragraphs above. Petroleum resources affairs involves the process of extraction, and this means dealing with the earth and the wealth which it contains. Petroleum products affairs, however, means dealing with an industrial and commercial process which involves dealing with refinery and manufacturing equipment as well as with markets. There is a big difference in the philosophy which deals with the earth and its natural resources and the philosophy which deals with machinery, equipment, and markets. Therefore it should have been no surprise that production goals were set which were difficult to achieve, that our proven reserves were being rapidly depleted, and that oil agreements and discoveries were given more importance than they deserved.

For this reason, committing ourselves to increasing our oil reserves by the amount necessary and at the right time first of all requires separating the two branches of petroleum resources affairs and petroleum products affairs. This should be done by creating a petroleum resources commission and a petroleum products commission, both of which would be under the supervision of the Ministry of Petroleum. If this were done, such a petroleum resources commission would be able to do its job as well as it could and the processes of discovery and production would be better developed. The thing is that the current approach toward increasing our petroleum resources relies on expanding the physical areas of exploration by means of concluding more oil exploration agreements. Although these agreements are important, they will not enable us to increase our proven reserves more than four- or five-fold during the next 15 years, for example, unless the agreements are coupled with development and intensification of the processes of oil exploration and production. This would have to include the following:

1. Guiding oil exploration. This must be done by making regional exploration studies of the petroleum basins in the Western Desert, the Delta, the Gulf of Suez, and Sinai by utilizing the geological and geophysical surveys as well as the information concerning oil wells which has been accumulating for many

years--in order that a more accurate picture be put together concerning petroleum basins. This will require cooperation among those exploring for oil when it comes to selecting well sites and will require the cooperation of the EGPC in terms of accurate technical supervision of the operations carried out by the oil companies involved--and this is something which is practically non-existent at the present time. If this is done, then the best use will be made of the capital set aside for oil exploration which is being spent by both foreign and national companies when exploring for oil.

2. Increasing the yield from the reserves of oil fields which have been discovered. Here I have in mind the discovered oil reserves, only one-third or one-fourth of which can be extracted by means of the conventional methods which are being utilized. When only such conventional methods are utilized, the rest of the oil remains captive inside the earth until production methods are developed which utilize steam, chemical solvents, and other means to increase the production yield from such petroleum reserves. Utilizing these means is an expensive process and requires both careful studies and large expenditures, and this has become something which is economically difficult to accomplish after the rise in oil prices.

So controlling the levels of oil production and following a policy of increasing our proven oil reserves--and changing the organizational structure of our oil sector and developing our methods of exploration and production in order to achieve these things--would bring about the necessary balance in our oil production and consumption. If we do not attempt to do this, then the Egyptian economy may run the risk of losing the energy that it will need in order to keep its construction, agriculture, and industry going after the foundation for all of this activity has already been laid.

9468
CSO: 4504/525

BA' THIST OFFICIAL EXPLAINS AIMS OF KURDISTAN FIGHTING

London AL-DUSTUR in Arabic No 300, 22 Aug 83 pp 3-5

[Article by Isma'il al-'Arif: "Strategic Evaluation of the Present Stage of the Gulf War: Aims and Results"]

[Text] Isma'il al-'Arif is a retired major general in the Iraqi Army and one of those responsible for planning the 14 July revolution. He is a former director of military movements, secretary general of the Ministry of Defense, and minister of cultural affairs. After the 14 July revolution, he was appointed ambassador to Czechoslovakia in the Diplomatic Corps. He is now an academician in historical research. In this evaluation which he wrote for AL-DUSTUR, he attempts to determine the goals and results of the latest Iranian attacks and to prove that the so-called "war of attrition" may have begun to elicit an antithetical response:

The Iranians have tried to achieve four goals in their latest attacks in the Rayat--Haj 'Umrān region's difficult mountain terrain on the northeast Iraqi-Iranian border [as published]:

1. To cut the main line connecting the Kurds opposing the regime in Iran, who are living in Iranian Kordestan next to the Iraqi border, with their Kurdish brothers in Iraq so as to hinder their cooperation.
2. To preoccupy the Iraqi Army by distracting its commanders from the primary attacks being launched toward the Central Sector and vital strategic targets, especially the important strategic road running parallel to the Tigris River, which connects Baghdad with Basra, passing through the important cities of al-Kut and Maysan. This is besides the threat on this front to Baghdad, which is only about 120 km away.
3. To encourage and influence the Irawi Kurds to move against the Iraqi Army, striking it from the rear upon the appearance of the Iranian Army on Kurdish-inhabited Iraqi soil.
4. To continue to so-called war of attrition, which the Iranians now believe to be the easiest way to weaken Iraqi resistance after the failure of their successive attacks in which they suffered severe losses on the central and southern fronts.

It appears evident, from a study of the topography, from an examination of the course of the first battles to be fought there recently, and from the discovery of the path of the new Iranian attacks, that it is very difficult for the attackers to establish a foothold in that remote mountainous region without suffering terrible losses which are not consonant with the limited gains to be achieved. It is also not possible to cut off entirely the means of cooperation between the Kurdish groups which live on both sides of the border. Whenever the Rawanduz-Rayat-Mahabad road, which connects Iraq with Iran and leads on into the troubled Kurdish regions in northwestern Iran, is interdicted, numerous alternative mountain routes and pathways are frequented off the main road, immediately resuming the constant cooperation between the Kurds inhabiting both sides of the border.

A limited area of operations is being created within the mountains and high plateaus surrounding Rayat and Haj 'Umrān, where the elevation reaches 2,000 m above sea level in some places. Controlling the main road, which the Iranians have taken as the axis for their advance, there are impregnable mountain positions and numerous defiles that create a chain of excellent natural defenses. These defenses limit the attacking army's ability to maneuver and use armor and other equipment, which in themselves are able to affect the results of a battle. There is no other road on which this equipment may be moved in this region.

The reason for the limited initial successes by the Iranians may be traced back to their occupation of some of the peaks commanding Haj 'Umrān and Rayat with the help of some Kurdish groups who are very well acquainted with that remote area. However, the Iraqi Army's expertise in the mountain wars, which it won over two long years in actual battles and in military combat exercises in northern Iraq, well known for its remoteness, enabled it to prevail over the Iranian Army, which lacks expertise in that type of warfare. It appears that some of the Iraqi Kurdish elements which fought side by side with their army were deluded by hopes of regaining what they had lost in the defeats of the past and some Iraqi Kurds were encouraged to hit the Iraqi Army from the rear.

The Iraqis, Arabs and Kurds, proved that they would not bargain over the honor of their country, no matter what the reason or temptation. Contrary to the expectations of the attackers, armed groups of Kurds rushed to support the Iraqi Army and zealously fought the Iranians and the Kurds cooperating with them without distinction. The region which was chosen for the attacks, the so-called "second stage of the al-Fajr operation," is mountainous, rocky, high in altitude, and perfect for defensive battles. It presents excellent fields of fire for artillerists and there are no strategic targets within it or behind it near the field of operations which would influence the course of the fighting if the attackers were to occupy them.

The closest strategic target is the city of Irbil, which forms a nexus of communications linking the city of Mosul with the north and the city of Kirkuk, which is a major center of oil production in Iraq. The area of the attacks is separated from the abovementioned city by mountain chains, plateaus, and defensive strongpoints lining the road connecting it to the Rayat region, making it difficult to cross against an army which excels in defense and

which knows its own land inch by inch. These attacks are nothing but a diversionary operation whose goal is to put pressure on the Iraqi Army in order to force it to spread its strategic reserves, or some of them, in the center and then to launch primary attacks there. This is well understood by the Iraqi leadership. Indeed, the Iranians launched their main attacks on 30 July at the very time that the Iraqi Army was engaged in a grinding battle to retake the peak of Kardamand Mountain and the surrounding peaks. It seems clear from a study of the preceding battles into which the Iranians had rushed and of their methods in those battles that they lack skill and ability in coordinating two battles on farflung fronts against a trained army which is stubborn in the defense of its own soil. These were complicated military operations which require extraordinary command skills, rapid communications, and first-class strategic conceptualization, against Iraqi officers among whom an excellent generation of leadership is emerging, hardened by the battles and fields of conflict.

Occupation of a border peak in the field of military operations is not considered a magic key to victory in defensive battles, no matter what its strategic importance. Indeed, the important thing is to advance and close with the forces defending the region as a whole. What makes it difficult for the attackers is the inaccessibility of the region with its numerous defiles which lie across the Rayat--Rawanduz road and the remote high mountains which surround both sides of the road and which limit the ability of the attackers to maneuver and use powerful armored columns alone to affect the results of the battle.

In the new situation which Iraq is facing, in which the Iranians are opening two fronts, it is incumbent upon the Iraqi command to stand firm on one front with a do-or-die defense and devote itself to the attacks on the other front, eliminating the danger facing the latter. This is what the Iraqi Army did recently in its spoiling attacks on the Mehran-Zurbatiyah front, which the Iranian forces endured inside their own borders. It is necessary to continue with this preventive operation--as long as necessary--until the threat facing Iraq from this front ceases and perhaps one will proceed to the opening of a new front to draw the Iranian reserves, relying on principles of attack which benefit from what was learned from the Iranians' inability to sustain the thrust of the attack due to the terrible losses suffered and to their entanglement in a war with no outcome.

The international situation indicates that this tough war is on the verge of being internationalized. If it is, then the catastrophe will spread over the region as a whole, and neither the fence-sitter, the victor, nor the vanquished will escape from its evils.

It appears that the war of attrition makes it appropriate for Iraq to begin responding in kind to Iran, which is, with the passage of time, having a boundless negative international impact. A return to peace in the region and a solution to the conflict through negotiations and dialogue are the ideal, since the destructive war has reached a stalemate, in order to stop the terrible hemorrhage of human souls and to escape from this dilemma in a manner which will not lessen the honor of the two peoples, a dilemma in which there can be no victory without implacable hatred between the two sides.

CSO: 4404/634

EGYPT SAID TO 'HARASS' GAZA TRAVELLERS AT BORDER

TA181146 Tel Aviv DAVAR in Hebrew 18 Sep 83 p 6

[Report by Dani Tzidqoni in the 'Here Is Gaza' column]

[Excerpt] Suddenly, and without explanation, the Egyptians have begun to harass Gaza residents asking to enter their country. The complex relations between the Gaza residents and Egyptians is a story full of ups and downs. It seems that what is happening now at the Egyptian border terminal in Rafah is an expression of the Egyptians' anger toward the strip residents.

The ties between the Gaza Strip residents and Egypt are many: Egypt, the largest Arab country, is a popular destination for them for a tour, a visit, and for entertainment. In addition, there is a large community of former Gaza residents in Egypt, partly permanent and partly temporary. There are Gaza students in Egypt, and some Gaza residents invest the money they make in Israel and in the strip in Egypt.

When a Gaza strip resident wants to go to the country which rules the strip before it was taken by Israel, he needs a permit from the Civilian Administration. This permit enables him to leave the country without problems and makes it easier for him to enter Egypt, since it promises the Egyptians that the traveler from Gaza to Egypt is allowed to return to Gaza. In order to get the permit those who want to travel go to a specialist in writing the requests--specialists who sit near the permit office--and pay 200 shekels for each request. Afterward, they have to pay the administration 1,500 shekels (as of this moment) for stamps and another 370 shekels for the Peace for Galilee tax. Thus, in order to receive the requested permit, the Gaza resident pays about 2,000 shekels.

As said, this not-so-cheap permit to leave the country gives the bearer, even though he is an Arab, an easy passage at the Israeli border terminal at Rafah. The problems begin at the adjoining Egyptian terminal. At this terminal, whose 'efficiency' is renowned, the traveler submits his papers to the Egyptian authorities who, as is well known, are in no hurry. The papers sometimes include a laissez passer which the Egyptians themselves issued at one time for the Gaza Strip residents.

Many hours pass before the papers are returned, and the traveler spends the time waiting in the severe heat, in the town on the edge of the desert. Then

those waiting are called up and the papers are returned to them. It then transpires that some cannot enter Egypt. They are not told why.

The Gaza residents, who tried to find the logic in this system of rejection, could not do so. Those rejected have nothing in common such as sex, age, profession, place of residence, and so on, that can be detected. Those in question are old people, women, and children. The rejections separate husband and wife, son and parents, and so on.

CSO: 4400/518

DEFENSE BUDGET CUTS DISCUSSED IN TREASURY, DEFENSE MINISTRY

Tel Aviv HA'ARETZ in Hebrew 15 Aug 83 p 1

[Article by Mikhael Gerti: "This Year's Defense Budget Is Cut by 6 Billion Shekels; Another 12 Billion Shekel Cut Next Year"]

[Text] The defense budget cut for the current fiscal year will reach 6 billion shekels, while next year another 12 billion shekel cut is expected, according to the current conclusions reached yesterday afternoon in discussions between the heads of the Defense Ministry and the Treasury following the government session.

The purpose of the lengthy discussions is to reach an agreement acceptable to both ministries on the size of the cuts and the areas in which cuts will occur, so as to approve the plan at today's government session.

It was found out that in yesterday's discussions some of the areas to be cut were agreed upon. As for the other areas, the representatives of the Defense Ministry headed by the general manager of the ministry, Maj Gen (Ret) Menahem Maron, requested the resumption of the discussions today after further study. The conclusions presented to the government session will probably include the exact sections of the budget to be cut during the present fiscal year and more general areas to be cut next year. The reason for this is the need, according to the Defense Ministry, to arrive at a far-reaching change in the long-range program of the IDF defense system for the cuts in the 1984-85 budget, which will take several months to work out.

One of the areas to be cut in the Defense Ministry budget is manpower, and there may be cuts in various combat units in the various arms of the IDF in the next fiscal year. Service conditions of career personnel may also be affected. The discussions also dealt with slowing down programs, including making up equipment inventories following the war in Lebanon.

The cuts in the budget are still facing the demand of the Defense Ministry for an additional budget of more than 20 billion shekels, including 16 billion shekels for the stay of the IDF in Lebanon (which did not figure in the present budget which was prepared on the assumption that the IDF was not in Lebanon,) and an additional amount for funding the Lavi aircraft project.

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CSO: 4423/173

ISRAEL

CANDIDACY OF TEDDY KOLLEK FOR JERUSALEM MAYOR DISCUSSED

Tel Aviv 'AL HAMISHMAR in Hebrew 2 Aug 83 pp 3, 5

[Article by Shuqi ben Ami: "The General Staff of Teddy Kollek"]

[Text] An examination of the status of the lists competing in the elections for the Municipality of Jerusalem appears to indicate that Teddy Kollek is competing in a vacuum. There is currently not a single list that may jeopardize the almost certain majority for the One Jerusalem list and there surely is not a candidate able to undermine Teddy's power in Jerusalem.

Election experts estimate that there is no contest at all between Teddy Kollek and the Likud candidate, Attorney Shlomo Tussiya-Cohen. They believe the newspapers are making an attempt to impart to the election campaign the character of a struggle between 2 candidates whereas in actuality the stage is entirely Teddy's, and he plays upon it as a virtuoso to whom success is assured.

More and more public bodies in the city are proclaiming their identification with, and support of, the list of Teddy Kollek. Among them, the Sephardic Community Committee, which even announced that it would advise the Sephardic electorate in the city not to lend its voice to the Likud list, as a consequence of legal challenges which attorney Tussiya-Cohen took up at one time against the Community Committee at one time. During his most recent trip to the U.S. Tussiya-Cohen represented himself as one of the leaders of the Sephardic community. This week the heads of the community met with Teddy Kollek and his deputy Avraham Kahila and assured both of their unqualified support. Even the former partner for many years of the Likud candidate, the noted Jerusalem attorney Arnold Shafar, announced his support of Teddy Kollek and of the Jerusalemites for Teddy's staff.

No Support For Tussiya-Cohen

In the One Jerusalem staff, they are maintaining a low profile of activity at this stage. The assessment is, "Let sleeping dogs lie" and that it is preferable to maintain a relatively peaceful election campaign over a short period of time. Key activists on the staff are of the opinion that the status of the Likud candidate for mayor is a particularly difficult one. The fact that in four public opinion polls conducted over the past 6 months his

percentage of support reached only to about 12 percent, is evidence that after 6 months of exposure the Likud candidate has not succeeded in enlarging the number of his supporters beyond the hard core nucleus of Likud supporters in Jerusalem.

At One Jerusalem the view is that against this background the Likud will attempt to conduct an aggressive election campaign and will give priority in this regard to "heating up the atmosphere." It now appears that Teddy, who has no effective opponent, has decided simply not to relate at all to the Likud candidate. "We are not playing with him," a senior source at One Jerusalem list told me. Despite this, key activists in the list fear the creation of an attitude of complacency and a sense of security among the activists. Apparently, Teddy's people are attempting to represent a situation of calm activity whereas in reality the staff senses the turmoil. A number of power foci exist, and behind the scenes the true struggles take place to determine the candidates who will run on the Labor Party list, or within the framework of the seats allocated to Teddy.

Functional Staff

A cursory glance enables one to note that all the candidates which will apparently be included in the One Jerusalem list have been integrated in one way or another within the functional staff of the list. The functional staff meets at least once weekly. It makes the operational decisions to establish the policy of the general staff of the list, determines the order of priorities and coordinates the operational activity carried on in the area. Chairman of the functional staff is Amos Mar-Haim who serves also as head of the general staff and head of the information staff. Mar-Haim, who served in the past as director general of the Ministry of Commerce and Industry, is considered a public personality not unequivocally identified with the Labor Party. Labor circles estimate that he has been assured an honored place in Teddy's list. He is known as a gifted administrator and is in effect "the person pulling the strings" on the One Jerusalem staff. Ongoing administration is carried out by the staff director-general Ya'akov Nariya. He is considered an intimate of Teddy's. Nariya is not a Labor Party person and in the past has served as district administrator of the Israel Real Estate Administration in Jerusalem and the director-general of the 'Arim Company. He is a reserve colonel and considered to be in the left wing of the Labor movement. An additional central personality in the functional staff is Amiram Seyvan. He has come up in turn on the Alignment list to the Knesset and is serving today in the capacity of active chairman of the board of Tiyush, a giant Histadrut concern. In the Labor Party he is considered one of the candidates to follow Teddy Kollek in the future, when the latter retires from his position as mayor.

Constant Reviews

The list makes regular use of the services of Amazia Shifron of the Parat Institute. The Institute has organized all of the procedures by which the staff functions. It carries on constant reviews, analysis of events and their application to implementation and action in the area. Once weekly, a

very limited forum meets with personnel of the Institute to deal with all of the "sensitive" issues. A particularly sensitive issue is the "telephone referendum" which the Institute conducts on behalf of the list. In the One Jerusalem staff they are wary of publicizing results of the referendum. In general, it is intended to replace the Membership Census which has been conducted in the past. According to a scientific test, the status of the list in the area has been established, the material has been transferred by means of a computer and distributed to the districts. "This is a new concept of conducting an election campaign," said the spokesman of the staff Barukh Leshem. He adds that "it is no longer notes or impressions of people, rather the analysis of events by modern means through utilization of a computer, it is also possible to follow the activities of the "emissaries" who are the representatives of the list in the homes and in the streets. The entire matter of dealing with the computer is coordinated by Eytan Melnik.

27 District Staffs

Deployment over the area is conducted by means of 27 district staffs which are responsible administratively to Emanuel Zisman. Among the outstanding staffs operating in the area should be mentioned the staff of the Trade Union, headed by Avraham Kahila. The central power in this staff are delegates of four of the largest committees in the city or, as they are called, the Four Club. A wave of dejection and internal squabbling is passing over the Club at present, particularly in the wake of the hidden competition between Deputy Mayor Avraham Kahila, who also serves as chairman of the Council of University Workers, and between Avraham Tuvol, chairman of the Council of Municipal Workers, who sees himself as a candidate for the City Council. Kahila enjoys the support of the immigrants from Iraq whereas the western community is lined up behind Tuvol.

Particular emphasis is placed on the staff of Arabs headed by Yosef Gadish. The staff operates in East Jerusalem and it is known that the Arab voters support Teddy unequivocally. The main goal of the staff is to bring out a maximum of Arab voters on election day.

Heading the Jerusalemites for Teddy staff is Avner Peretz. The staff scrupulously observes the lack of party identification. In addition to the staff of Jerusalemites for Teddy, there is an auxiliary staff which coordinates the members of the free professions. Among those outstanding in this staff are architect David Reznik and contractor Hillel Pfefferman. An additional staff functioning within the framework of Jerusalemites for Teddy is the staff of the Observers of the Precepts headed by Yisra'el Lippel, former director-general of the Ministry of Religions, a member of the MAFDAL [National Religious Party]. Additionally, there are party staffs functioning. The staff of MAPAM maintains independent activity which is organizationally responsible to One Jerusalem. Finally, the chairman of the MAPAM branch in Jerusalem, Haim Hayat, has joined the functional staff. The MAPAM staff will coordinate increased activity, particularly on election day, by means of members of the Negev Kibbutzim and the Workers' Circle in Jerusalem.

MAPAM Staff

Within the framework of the MAPAM staff there are operating, among others, Zvi Atlas, Nahum Solan, who is to join the information staff, and Mati Ronan, who will join the Neighborhoods staff.

Finally, a staff for the immigrants of Georgia has been assembled. The Georgian have promised Teddy to concentrate their main efforts in Nve Ya'akov and in exchange Teddy has promised that he will conduct the victory banquet in the Keshet Halls whose owners belong to the Georgian community. Two additional staffs which function outside of the party framework are the staffs directed by Dr Rafaela Bilsky and the staff of the Volunteers of Lotta Sulzberger. Women are active on both these staffs.

Public opinion polls indicate the fact that Teddy is the "women's candidate" and that he enjoys preference among the female population more than any other candidate, at a percentage higher by far than the general percentage.

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CSO: 4423/169

ISRAEL

JORDAN VALLEY DEVELOPMENT PLANNED

Tel Aviv MA'ARIV in Hebrew 15 Aug 83 p 9

[Article by Aharon Pri'el: "Plan for Developing Jordan Valley--35 Settlements with 45,000 People"]

[Text] The government's commission for the development of the Jordan Valley has proposed to the government to establish 35 rural settlements in the Jordan Valley, settle 45,000 people in the area, prepare 85,000 dunams of land and produce 120 cubic mm [as published] of water, ensuring an income level of 700,000 shekels a year per family.

These are the long-range development goals recommended by the commission. The short and middle range development for 1983-85 require a budget of \$165 million.

The commission was headed by Prof Shumel Pohorilis, the head of the authority for agricultural development and settlement. The commission was formed last December by Prime Minister Menahem Begin in order to prepare a general plan for the development of the Jordan Valley.

The commission included representatives of government offices and the Zionist Federation.

The commission made recommendations in the areas of agriculture, industry and tourism.

In the area of agriculture, the commission recommended raising the land quota per settler to 30 dunams, ensuring the full production quotas for export, and setting production quotas of 20 million liters of milk and 3,000 tons of turkey meat.

In the area of industry, the commission recommended the transfer to Ma'ale Efrayim of a leading national project around which smaller projects and shops would be established, and also the development of an industrial zone.

In the area of tourism, it was recommended that beach, health and recreation facilities in the northern Dead Sea and archeological sites around Jericho be developed and two terminals on the Jordan bridges be built.

The commission also recommended paving two new roads, building rental apartments in Ma'ale Efrayim and funding swimming pools in each settlement in the Jordan Valley because of the difficult climate.

Prof Pohorilis presented the report at the end of last week to the prime minister.

The short and middle range plans call for increasing the population of the Jordan Valley by 6,500 persons in 3 years and establishing during that time 4 additional settlements and 2 outposts. There are now 21 permanent settlements in the area and 6 outposts.

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CSO: 4423/173

LARGE MELON CROP INCREASES MARKETING PROBLEMS

Jerusalem AL-FAJR in Arabic 19 Jul 83 p 8

[Article by Qadurah Musa: "Janin Farmers' Concerns; Amman Asked to Extend Entry Periods for Melon Crops"]

[Text] From time of old, Janin has been famous for growing melons and cantaloupes. With agricultural development, and the introduction of plastics into this field, melon production in the Janin District has improved. The acreage cultivated with cantaloupes and melons under plastic sheets totaled about 35,000 dunums this year. The cultivation of these two types was concentrated in the northeastern areas, 'Aranah, al-Jamlah, Dayr Abu Da'if; the western areas of Barqan, Kafr Dan, al-Yamun and Silat al-Harathiyah; and the southern areas of Qabatiyah, 'Arabah and al-Jarba.

With regard to the varieties of melons cultivated under plastic, there are two main types; the first is cultivated without irrigation and this is the "al-Hazir'a" type, and the other with irrigation, and this is the "Sweet Meat" type. As for cantaloupes, there is only one type cultivated and that is the al-Makdamun. It was noted this year that production improved in both quality and quantity. This is due to the increase in the amount of rain and the introduction of the droplet irrigation system. The production average this year is estimated at 50,000 tons of melons and cantaloupes.

A quick look at the ability to produce this season makes it clear to us the extent of the need to market the largest amount possible to the melon crop in the Amman markets.

Here we come to the role of the Cooperative Association for Agricultural Marketing. It estimates production for those acreages. The production rate for unirrigated melons fluctuates from 1 to 20 tons per dunum, and for irrigated melons from 2 to 6 tons per dunum. As for cantaloupes, the rate fluctuates from 1 to 3 tons per dunum.

The farmer submits a certificate of his cultivated acreage and an estimate of his production. He either goes or commissions someone to prepare statements for the shipment of his produce to Amman. He submits a statement of export of half his crop, and after preparing the statement for Amman, it is given to the Association. The farmer informs the Association prior to

the date of harvest. After the shipment is inspected, his statement is returned to him, signed in accordance with origin, and the vehicles are ready for the trip to Amman across the bridge.

In view of the farmers' complaints about several issues pertaining to this season, I met with Fawzi Sadiq Abu Farhah, head of the administrative committee of the Cooperative Association for Agricultural Marketing--Janin District--and put the following questions to him:

[Question] What are the problems that the association faces with regard to marketing crops, with respect to the agricultural economy and the farmers?

[Answer] The officials in Amman have been responsive, as they always are, and have agreed to take in 50 percent of the melon crop. So far 1700 vehicles, with a net weight of 17,000 tons of melons, have entered Amman, but the Association still has about 500 statements, whose owners cannot get their crops in, because they are not yet ripe. Some farmers are still in the process of obtaining the certificates of origin, preparatory to obtaining more statements to ship their crops. The problem lies in the date of entry of the crops into Amman, which terminates on 15 July 1983, and that causes the farmers considerable harm.

We hope that our brother officials in Amman will extend the entry period for melons until 31 July 1983, and "plastic" cantaloupes until 25 July 1983, so that everyone can export a part of their produce.

Some farmers cover the floors of their trucks with bales of straw, which has a great effect, by reducing the load of one vehicle by 25 to 35 percent. This results in damaging the farmer himself, from the aspect of lowering the price of the vehicle in the Amman market. On the other hand, this action requires an increase in the number of vehicles loaded with lesser quantities, so that on some days the number of vehicles totals not less than 140. The drivers exploit this situation and raise the travel fee from 170 to 400 dinars. If the farmers would adhere to the instructions that are given to them concerning the permitted weight of the vehicle, which is 12 net tons, the demand for trucks would be reduced on the one hand, and the sale price for one cargo would be increased on the other.

[Question] Why do you propose extending the entry period of produce into Amman? Isn't all this time that is permitted now sufficient?

[Answer] The cultivated fields differ in warmth and ratio to sea level. The areas of 'Aranah and Dayr Abu Da'if, for example, are hotter and are more than 200 meters above sea level, which makes the crops ripen faster than in other areas. Apart from heat, they can be planted, for example, at an early time, and thus ripen earlier. Some of the crops of these areas have been shipped. As for the area of Qabatiyah, 'Arabah, and al-Jarba, they are much higher above sea level and cooler. They are planted at a relatively later time, and are just now passing through the ripening period. Most of the crops have still not been shipped. Therefore, unless the export period for the crops is extended, the farmers of these areas will suffer very severe losses. We can apply the proverb: "Muhammad inherits, but Muhammad does not inherit."

ISRAEL

BRIEFS

STAPLES UP 5 PERCENT--Starting last midnight, prices of subsidized staples and fuel have increased by 5 percent. The most recent increase was on 5 July 83. The increase was implemented by means of limiting the subsidy for staples within the parameter of economic measures announced by the Finance Ministry and the Bank of Israel at the start of September a year ago, by which the rate of adjustment of prices in accordance with the rate of devaluation had been slowed. These are some of the new prices: standard size bread, 5 shekels; milk, 15 shekels; board and lodging, 5 shekels; a kilogram of ground meat, 196 shekels; frozen fowl No 1, 107 shekels. Fuel costs also increased at midnight, and their prices per liter henceforth are: 94 octane gasoline, 32.5 shekels; 91 gasoline, 29.30 shekels; solar oil, 23.30 shekels; kerosene, 24.10 shekels. The price of gas for household use is 441 shekels per tank. The Finance Ministry will apply to the Currency Commission for approval of an increase in electricity and telephone tariffs by 5 percent. Starting today there will be an increase in fares on public transportation of an average of 10 percent. The cost of an urban trip will be 9 shekels. [Text] [Tel Aviv 'AL HAMISHMAR in Hebrew 1 Aug 83 p 1] 8090

NATURE PRESERVE IN 'ARAVA--The struggle between the Nature Preserves Authority and the Settlement Department of the Jewish Agency, over an area of 30,000 dunams in the northern 'Arava, has been decided in favor of the Authority. It will receive the large area and convert it to a research park where endangered species will be preserved and cared for. The Settlement Department of the Agency sought to establish a new moshav in the northern 'Arava, between En Hetzva and En Yahav. This area was also requested by the Natural Reserves Authority. Its reasons were that this area is today the last vestige in the 'Arava region in which there still exists a representative of the world of fauna and flora. Up until not many years ago there were also to be found in this area large concentrations of acacia trees, among which a large population of Negev deer thrived and developed--a species which has become almost extinct as a result of unbridled hunting by military personnel and bedouins. In this area, said the Authority, it will be able to preserve the fauna and the flora, and will even establish thereon a center for field studies and research on problems of natural reserves. The conflict between the two bodies has extended over a long period. Both employed lobbyists, and after deliberations in various institutions the final decision was transferred to the District Committee for Planning and Construction in the Negev. In the end the Committee decided that the Nature

Preserves Authority receive the area in trust for 5 years only, and it if indeed maintains its plans the area will be transferred to it permanently.
[Text] [Tel Aviv HA'ARETZ in Hebrew 1 Aug 83 p 12] 8090

ISRAEL-OMAN RELATIONS--The Omani Foreign Minister, Yusuf al-'Alawi, yesterday called upon all Arab nations to make peace with Israel. At a press conference in Kuwait the Omani minister said: "We must put an end to this state of war with Israel and make peace with her now or within 10 or even 15 years. In effect, we are placed indirectly in a state of peace with Israel, having accepted the resolutions of the UN which call upon all to continue the existence of Israel." Al-'Alawi noted that the U.S. and European nations have requested the Arab nations "to live in peace with Israel in order to achieve their goals." Nevertheless, al-'Alawi said, Oman will not decide unilaterally to sign a peace treaty with Israel "for our country does not border upon Israel...we are not a confrontation country." Oman was one of the three Arab nations which continued to maintain relations despite the resolution of an Arab summit to cut all ties with Egypt after it signed a peace treaty with Israel in 1979. Its ruler, Sultan Qabus, continued to maintain relations despite the resolution of an Arab summit to cut all ties with Egypt after it signed a peace treaty with Israel in 1979. Its ruler, Sultan Qabus, continued to maintain contacts with President Sadat after the signing of the peace agreements. With the ascension of President Mubarak to power in Egypt, the contacts between the two countries increased in frequency as Sultan Qabus served as a mediator between Egypt and conservative Arab countries, thereby serving the interest of President Mubarak in renewing Egypt's activity in the Arab arena and its membership in the Arab League.
[Text] [Tel Aviv DAVAR in Hebrew 3 Aug 83 p 2] 8090

TOURISM FORECAST--"More than 1.2 million tourists will visit Israel this year and will bring some \$1 billion to the state's coffers, twice as much as agricultural exports." This was reported yesterday by Tourism Minister Avraham Sharir, in the award ceremony for the "1983 Outstanding Tourism Worker" in the Jerusalem area, in cooperation with MA'ARIV. In the ceremony which took place in Larom Hotel in Jerusalem, 61 tourism workers, hotels, tourist agencies and offices, car rental companies, tourist guides, businesses and restaurants were given certificates of merit. The committee which picked the outstanding workers was headed by Gustav Badian. The award project, which will take place in five areas, will pick the leading worker of the tourism industry. MA'ARIV General Manager Shim'on Hefetz said in his presentation that the purpose of the ceremony is to give national recognition to those workers who set an example to their fellow-workers under the motto, "Let us work and live." [Text] [Tel Aviv MA'ARIV in Hebrew 15 Aug 83 p 10] 9565

GOLAN WATER SHORTAGE--The settlements in the northern Golan Heights have been experiencing water shortages, especially for watering plants. The reason for the shortage is the lack of adequate water sources in the area, which becomes acute during the hot summer months. It was reported from various settlements that drinking water is being rationed. The MEQOROT water company reported that this should be the last summer that a water shortage is experienced. The Baniyas water project should be completed by the beginning of next summer. It will supply water to the northern settlements. [Text] [Tel Aviv HA'ARETZ in Hebrew 15 Aug 83 p 6] 9565

AFRICA-ISRAEL TIES--The chance that Nigeria will renew diplomatic relations with Israel in the near future has decreased since the decisive victory of President Shehu Shagari in the general elections, according to diplomatic sources in London who are familiar with African affairs. The sources pointed out that during the campaign, President Shagari attacked his rivals, especially Chief Abulubu, for their intentions to renew diplomatic relations with Israel. They emphasized that despite the good trade relations, the president, who governs the largest country on the continent, would hesitate to initiate a diplomatic move which would anger the Arab states, especially since Nigeria is concerned about the design of Colonel al-Qadhdhafi, the ruler of Libya, to renew his subversive activities in that country and encourage the large Muslim community to resist the president. The sources, on the other hand, believe that several countries on the continent may follow Liberia's lead and renew their diplomatic relations with Israel. Those include the Central African Republic and Gabon, who receive direct or indirect Israeli assistance, especially through arms sales. The two countries are concerned about al-Qadhdhafi's moves in Chad and Upper Volta, where a pro al-Qadhdhafi officer has come to power, and this will prompt them to recognize Israel. The sources added that Israel has recently increased its political, economic or military activities in Africa, and has now contacts with 21 states and even has representatives in some of them. [Text] [Tel Aviv HA'ARETZ in Hebrew 17 Aug 83 p 1] 9565

PENSIONS FROM W. GERMANY--The State Attorney revealed in the High Court of Justice that the main reason for forbidding the acquisition of West German pensions by Israeli citizens is the need to prevent considerable outflow of foreign currency and worsening the state's credit status. The State Attorney accused the Israeli organization which signed up Israeli citizens to receive the pension of serious misconduct, since it withheld from the court the fact that it was established illegally and the case is under study by the attorneys. A month and a half ago the organization petitioned the court to allow Israeli citizens to register to receive the pension from West Germany, and asked that the Finance Ministry be instructed to remove the ban of last 12 June against buying foreign currency to fund the foreign pension plan. The Israeli organization (its full name is The Organization for the Implementation of the Social Security Convention between Israeli and West Germany) argued that the ban affected the thousands of clients of the organization who acted according to the social security convention between the two countries, who will now stop getting the pension. It was also stated in the petition that the decision of the Finance Ministry was illegal, illogical and went against the commitment of the State of Israel towards the Republic of West Germany. In its answer, the State Attorney office rejected the petition outright. A senior deputy State Attorney, Attorney Eli Ben Tovim, points out that the agreement between Israel and West Germany went into effect on 12 June 1980 for 3 years and enabled Israeli citizens to join social security in Germany. It was originally intended by the Government of Israel to help survivors of Nazi persecution, not the general Israeli public. [Text] [Tel Aviv HA'ARETZ in Hebrew 17 Aug 83 p 4] 9565

LAND EXPROPRIATION--The official in charge of absentee property (and government property) in Ramallah has informed the mukhtar of the village of 'Arurah of the Israeli authorities' decree expropriating 350 dunums of no 6 natural reservoir, located in Batin Salih and no 7 natural reservoir located at Ra's Abu Tantar, which is 'Arurah land, and no 2 natural reservoir, located at al-Ra's, which is land of the village of Umm Safa. The owners of the land have retained lawyers Nabil Mashhur, Sabir al-Tawil and Shahir al'Aruri. [Text] [Jerusalem AL-FAJR in Arabic 20 Jul 83 p 1] 7005

ISLAMIC LAW PROGRAM AT HEBRON--Muhammad Rashid al-Ja'buri, chairman of the Board of Trustees of Hebron University, stated that the process of comprehensive development of academic progress at Hebron University includes various stages of education with all its academic levels and directions, sharing in the embodiment of the desires and aspirations of our students in the West Bank, the Gaza Strip and the Arabs of '48. The Board of Trustees has decided to establish a college of Shari'ah and Law in Hebron University, so that the study course will become 5 years instead of 4. In this program, the student will earn a diploma. A 4-year college of education will also be established, in which the student will obtain a diploma in education. In addition, there will be a modern college of agricultural sciences in the West Bank and Gaza, in which instruction will commence with the start of the next academic year in accordance with the schedule of courses in effect with the other universities. In light of the announced expansions, al-Ja'buri told our correspondent that Hebron University was in dire need of the buildings necessary for that expansion. It is in the process of buying ready-built buildings which can be outfitted before next October. It is well known that the university has enrolled some 1700 students distributed throughout all the colleges. It is worth pointing out that the Federation of Arab Universities has recognized the membership of Hebron University. [Text] [Jerusalem AL-FAJR in Arabic 21 Jul 83 p 4] 7005

IDF TRANSMISSIONS ON HEBRON TV--During the past month, the inhabitants of Hebron have been able to receive, loud and clear, whatever is carried by the IDF's radio transmissions while their television sets are set on a Jordanian channel. One of the city's residents yesterday complained to our correspondent that over the past month he was prevented from viewing Jordan television broadcasts because of the interference by IDF transmissions. The man, (Ahmad abu Sha'ban), said that on the very night when the homemade bomb was thrown at the Hadassah house, all the people whose television sets were tuned to Jordan television heard about it. Ahmad, who understands Hebrew, could describe in detail where the IDF decided to set up roadblocks, where the forces were deployed in the area, and where detentions were being carried out, as well as names of the prisoners where they were taken. The Hebron residents who complained to the authorities about the army broadcasts interfering with television reception were told: "If this is the case, then do not watch TV...." The inhabitants of Qiryat Arba', who are also aware of the problem, have reported that they talked with the Judea District military commander, Lieutenant Colonel Ya'akov Turgeman, and have reportedly been told that the army is aware of the problem. [Report by Roni Shaged] [Text] [TA141458 Tel Aviv YEDI'OT AHARONOT in Hebrew 14 Sep 83 p 7]

PLANES TO LIBERIA--Tel Aviv--The Israel Aircraft Industries [IAI] is to sell Liberia four Arava transport planes, three for its airline and one for its air force. An agreement on the sale was signed in Monrovia last week, IAI spokeswoman Sylvia Bet-Halahmi told THE JERUSALEM POST last night. The \$10 million deal provides that the first two planes be supplied in December, the third in January 1984, and the last in June next year. [Text] [TA180758 Jerusalem THE JERUSALEM POST in English 18 Sep 83 p 1]

ISRAEL-NORWAY OIL AGREEMENT--Israel has signed a contract for purchasing oil from Norway. The first shipment will arrive in Israel in about 1 and 1/2 months. The contract for oil supplies from Norway was signed last week after more than 4 years of Israeli courting, in an attempt to increase the number of Israel's oil sources. The contract was signed by Delek Company Director Avraham Agmon together with the Norway Government company (Statavil). The amount of oil imported from Norway will be small at first and will not exceed 70,000 tons a quarter. This is the quantity Israel will purchase until the end of 1983. The Norwegian oil is light and good quality, and its price is relatively higher than the average price paid by Israel for a barrel in 1983 (\$26.8). The imports from Norway will take the place of buying on the spot market. Today, Israel imports about 40 percent of its oil from Mexico, about 25 percent from Egypt, and the rest from ad hoc spot market purchases. [Report by 'Oded Shorer] [Text] [TA151236 Tel Aviv MA'ARIV in Hebrew 15 Sep 83 p 1]

EXPULSION OF UNSKILLED FOREIGN WORKERS--The Interior Ministry has decided to expel some 4,000 foreign workers who have been staying in Israel illegally. Involved are primarily labor from the Far East and southern Europe, including Yugoslavia, Turkey, Greece and Cyprus, employed in unskilled jobs. The Interior Ministry has drawn up rosters with the names and the police have begun to locate them. [Text] [TA150523 Jerusalem Domestic Service in Hebrew 0500 GMT 15 Sep 83]

EGYPT BORDER CROSSING STATISTICS--Beersheba--While more than 50,000 people used the overland routes to and from Egypt last month, none used the border crossing at Nizzana in the Negev. Statistics released this week by the Israel Ports Authority showed that last month, 43,882 people used the Rafah border post--4,099 more than in July but 1,042 fewer than last August. Tabah has also become a more popular post, with a 100 percent increase in human traffic. The number of Israelis crossing has increased from 221 to 20 vehicles last August to 1,757 in 275 vehicles last month. [Text] [TA150818 Jerusalem THE JERUSALEM POST in English 15 Sep 83 p 3]

TRAVEL TO EGYPT VIA ISRAEL--An "interstate" travel route, from Lebanon to Egypt, has recently been unofficially opened, at the initiative of the military command in charge of the Metulla and Rosh Haniqra border crossing points. The line was "inaugurated" yesterday when 18 Egyptian citizens who worked in Lebanon boarded a minibus at 0800. It had been waiting for them at Rosh Haniqra and carried them, via Israel, to the Rafah border terminal. There an Egyptian bus waited for them and took them to Cairo, where they arrived after a full day of travel across three countries. An El Al terminal was also

opened at the Metulla border crossing point yesterday, and during its first day of operation, many people arriving from Lebanon showed an interest in the possibility of leaving from Israel to destinations overseas. The first group of travellers left Metulla yesterday, commuting by cars rented by El Al to Ben-Gurion Airport. [Report by Menahem Rahat and Yehuda Goren] [Text]
[TA141442 Tel Aviv MA'ARIV in Hebrew 14 Sep 83 p 3]

EXPORTS DOWN--Industrial exports declined by 8.4 percent during the first 8 months of the year, while all exports during this period declined by 4.4 percent. The decline in exports was registered in industrial as well as in agricultural exports. [Summary] [TA121818 Tel Aviv YEDI'OT AHARONOT in Hebrew 11 Sep 83 p 4]

CSO: 4400/518

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

NATIONAL DOCKYARDS COMPANY RELEASES WORK FIGURES

Aden 14 UKTUBAR in Arabic 4 Aug 83 p 1

/Text/ Comrade Mahmud 'Abd al-Qadir, director of the planning office of the National Dockyards company made a statement which gave the newspaper the news that the company has already exceeded its work plan for the first and second quarters of 1983 with a 42 percent increase in work over the actual projected plan. The execution of the plan comprised the company's divisions which completed maintenance and repairs on 158 freighters, skiffs, and barges according to the following table:

<u>Division</u>	<u>projected work</u>	<u>actually serviced</u>
al-'A'im dock	22 freighters	36 freighters
al-Mazlaq	----	18 freighters
in the water	89 freighters	104 freighters

He explained that the freighters that were serviced in the water were given interior repairs, while al-'A'im and al-Mazlaq docks performed work to remove barnacles and to repaint the hulls of ships, as well as performing steamship maintenance.

9587

CSO: 4404/604

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

BRIEFS

AGRICULTURAL COOPERATIVES WORKERS--The number of members of the agricultural cooperatives in all of the governorates of the republic reached 40,000 farmers in the 59 cooperatives that cultivate 121,680 feddans. The number of agricultural workers came to 2,360 who work on 42 state farms containing 14,450 feddans. [Text] [Aden 14 UKTUBAR in Arabic 3 Aug 83 p 1] 9587

IMPORTS OF FARM VEHICLES--Current year budgeted appropriations for the import of cars and agricultural equipment, fishing gear and tires rose by 50 percent. What amounts to a value of 3.5 million dinars has already been disbursed to import different kinds of agricultural vehicles, 3 million dinars for agricultural equipment, 2.5 million dinars for tires, 25,000 dinars for fishing equipment. This increase in appropriations for this year came about as a result of an increase in the volume of developmental projects this year. [Text] [Aden AL-MASAR in Arabic No 8, Aug 83 p 6] 9587

CHINESE ASSISTED PROJECTS--Yesterday morning arrangements were discussed to lay the corner stone to rebuild the Friendship Bridge in Zinjibar in Abyan province during the month. This happened yesterday morning during the reception for Comrade Haydar Abu Bakr al-'Attas member of the central committee and minister of installations, in the office of Comrade Yang Yung, ambassador of the People's Republic of China in Aden. Cooperative relations between the two friendly countries were discussed during the meeting, as well as the progress of developing the projects which China is currently undertaking in our country. In other developments Comrade Haydar Abu Bakr al-'Attas greeted the World Bank delegation led by Hans (Shalahtarim), who is currently visiting our country. During the meeting the progress of work on the al-Naqabah-Nisab road project was reviewed as well as the project to rebuild the damaged road from al-Sayyul, a project that the Bank will help finance. Discussion on the preparation of the al-Rabi' roads was completed. The World Bank will help with its financing also. [Text] [Aden 14 UKTUBAR in Arabic 9 Aug 83 p 1] 9587

INCREASES IN BUDGETED INVESTMENTS--The volume of actual budgeted investments for industrial projects rose at the Ministry of Industry for the first half of this year as 1,439,437 dinars, an increase of 55 percent over the investments projected for this same period. Actual investment in the public sector for this period during the year came to 786,896 dinars, a growth rate of 27 percent, in the joint sector it amounted to 584,002 dinars, a growth rate of 64 percent, while in the private sector the actual investment came to 53,579 dinars, a growth rate of 25 percent. The actual investments for the cooperatives sector amounted to 14,960

dinars, or a 18 percent growth rate. The cause for the increase in the volume of investments budgeted by the Ministry of Industry for the present year was attributed to the increase in costs of developing a sponge factory project by a sum of 65,000 dinars over the initial work estimates, as well as to repeal and decrease the volume of authorized investments for some of the projects requiring foreign financing. Currently a study of a number of projects in the joint sectors is being done including one to promote investment and facilitate investments from Yemeni emigrant workers. Included in that their right to establish industrial projects. The agreement has already been given by the Ministry of Industry to establish a project for an aluminum doors and window frames plant in al-Mukalla, and a project to manufacture ballpoint pens, and a further one for a concrete building block factory in Shabwah province. /Text/ /Aden 14 UKTUBAR in Arabic 8 Aug 83 p 1/ 9587

GROWTH IN AGRICULTURAL COOPERATIVES--The number of agricultural cooperatives in the country rose from 13 in 1980 to 58 agricultural services cooperatives in 1982 that are distributed throughout Lahij, Abyan, Shabwah, Hadramawt, and al-Manrah provinces. These embrace a membership of 44,000 individuals, while the number of farmers' unions came to 329, or a 7 percent increase. Comrade 'Awd Nasir Ghalib, secretary of the information and culture office of the democratic union of Yemeni farmers explained to the Aden news agency that these cooperatives are working to extend seed and fertilizer and the means to use these different kinds of production to the farmers with the aim of increasing yields and developing work spirit. They also play an effective part in marketing operations and produce distribution. He pointed out that the expansion has led to a rise in membership in the union to nearly 21,831 members since the founding of the union until the first half of this year. When it was founded on 8 October 1976 there were 10,000. He pointed out that the union has begun the training and development of cooperative administrators and accountants, through organizing short 3 to 6 month courses in bookkeeping, and in addition by offering refresher accounting courses at the cooperatives. He added that the union prepared a work plan along with its branch offices in the provinces to organize production competitions over set periods between the agricultural cooperatives, especially in fruit and vegetable production. This will help cover local market demand the increase in production, marking the celebrations of the jubilee anniversary of the glorious 14 October Revolution and the Land Day holiday. /Text/ /Aden 14 UKTUBAR in Arabic 3 Aug 83 p 1/ 9587

CSO: 4404/604

BANGLADESH-INDIA JOINT PANEL ISSUES STATEMENT

Dhaka THE BANGLADESH OBSERVER in English 23 Aug 83 p 3

[Text]

Following is the text of the joint statement issued in Dhaka on Sunday on conclusion of the second meeting of the Bangladesh-India Joint Economic Commission:

The second meeting of the Bangladesh-India Joint Economic Commission was held in Dhaka from 19 to 21 August 1983 in an atmosphere of cordiality and understanding.

The Bangladesh delegation was led by His Excellency Mr. A. R. Shams-ud Doha, Minister for Foreign Affairs, Government of the People's Republic of Bangladesh and Co-Chairman of the Joint Commission.

The Indian delegation was led by His Excellency Shri P. V. Narasimha Rao, Minister for External Affairs, Government of the Republic of India and Co-Chairman of the Joint Commission.

During the visit His Excellency Shri P. V. Narasimha Rao placed a wreath at the Jatio Smriti Shaudha at Savar.

The Minister for External Affairs, Government of India, His Excellency Shri P. V. Narasimha Rao called on His Excellency Justice A. F. M. Ah-sanuddin Chowdhury, the Hon'ble President of the People's Republic of Bangladesh, and His Excellency Lt. Gen. H. M. Ershad, JSC, Chief Martial Law Administrator, Government of the People's Republic of Bangladesh.

His Excellency Shri P. V. Narasimha Rao also called on Their Excellencies Rear Admiral Mahbub Ali Khan, PNS, Deputy Chief Martial Law Administrator and Minister in

charge of Communications; Air Vice-Marshal Sultan Mahmud, BU ACSC Deputy Chief Martial Law Administrator and Minister in charge of Energy and Mineral Resources and Jansab S. M. Shafiul Azam, Minister for Industries and Commerce.

The Commission held two plenary sessions. In between these meetings, officials of the concerned Ministries, Divisions, Departments of the two Governments held discussions.

Both sides acknowledged the role of the Commission as an effective instrument for promoting economic, commercial, scientific and technical cooperation between the two countries. They reaffirmed their determination to accelerate the pace of cooperation in various fields in the best spirit of bilateral, regional and international cooperation. In this connection, both sides expressed satisfaction over the launching of the Integrated Programme of Action under South Asian Regional Cooperation (SARC) by the Foreign Ministers of the seven South Asian countries in New Delhi on August 2, 1983.

The two sides reviewed the implementation of decisions taken in the first meeting of the Commission held in New Delhi from 16-17 November 1982 and expressed satisfaction at the progress achieved in several areas. In this connection, they noted with appreciation the outcome of the first meeting of the Standing Committee held in Dhaka from 14-15 June 1983 during which agreements on Government to Government

credit of I Rs. 200 million and cooperation between BARC and ICAR were signed and concrete decisions taken in a number of other fields. It was, however, felt that there were important areas such as the expansion of infrastructural links, particularly transport, industrial collaboration and reducing trade imbalance through these and other means in which cooperation needed to be further accelerated.

The Commission reviewed the existing trade relations in the light of the agreements reached during its first meeting and noted that there had been progress in the mutual trade relations. The Commission, however, emphasised that both sides should continue to take further effective steps aimed at reducing the trade imbalance. The Commission also noted that the volume of two-way trade had declined and stressed the need for measures to expand bilateral trade.

The Commission discussed the progress of implementation with regard to the commodities already identified for export from Bangladesh on priority basis. Both sides agreed that immediate steps should be taken for expeditious movement of bitumen, newsprint and urea so that delivery of these items in agreed quantities materialise by March 1984. It was also agreed that efforts should be intensified for exploring the possibility of increasing exports of other products from Bangladesh including leather, paper and pulp. Bangladesh side requested for reducing the import duty on bleached bamboo pulp.

The Indian side agreed to examine the request. Both sides also noted the potentials of exchange of books and periodicals and felt the necessity of taking all possible measures in this regard.

As regards import of Jamdani Sarees, the Indian side explained their position in the matter. Bangladesh side, however requested the Indian side to consider relaxation of their import policy for facilitating export of Jamdani Sarees from Bangladesh. Regarding export of river fish to India, Bangladesh side explained their constraints in respect of this item. The Indian side reiterated their continued interest in importing this item from Bangladesh and requested for reconsideration.

It was noted with satisfaction that arrangements regarding supply of coal wheat seed, potato foundation seed and cotton from India to meet Bangladesh requirement had been finalised.

It was noted with satisfaction that as requested by Bangladesh side, India had agreed to compulsorily route all eligible transactions with the member countries through the Asian Clearing Union. It was agreed that necessary formalities in this regard would be completed as early as possible.

The Indian side took note of the Bangladesh request for SWAP arrangements with India on a bilateral basis and Bangladesh indicated that they would send specific proposal in this regard in due course.

Similarly, the Indian side took note of the Bangladesh requests for special tariff concessions under the Bangkok Agreement on additional items of export interest to Bangladesh.

Regarding possibility of understanding in joint market for sale of goods abroad, the two sides agreed to continue the on-going dialogue.

The Commission agreed that the Indo-Bangladesh Trade Agreement which is valid upto 3rd October 1983 may be renewed for a further period of three years. It was also decided that the trade review talks would be held as soon as possible.

The Commission reviewed the progress of implementation of the decision taken in its first meeting in respect of collaboration in the fields of industry and decided that further actions should be expeditiously

pursued in the case of identified projects :—(a) the Sijong Iron and Steel Complex, (b) the Surma Cement Project and (c) balancing and modernisation of 3 sugar mills in the public sector, such that these projects could graduate from the feasibility to the implementation phase. It was agreed that the Committee on Industries under the Joint Economic Commission would coordinate implementation of these projects.

Both sides noted with satisfaction that pursuant to the Commission's directive a MECON delegation had visited Bangladesh in July 1983 for discussions regarding the updating of MECON's earlier feasibility study. It was agreed that further discussion would be held between the concerned agencies preliminary to the preparation of a detailed project proposal for the Sponge Iron and Steel Complex.

With regard to the Surma Cement Project, it was agreed that a team from Bangladesh would visit India by September 1983 for discussion with the Cement Corporation of India (CCI) on updating the feasibility study for setting up the plant and for working out the modalities for implementing the project.

It was agreed that consultants from India would visit Bangladesh during September-October 1983 for carrying out feasibility studies for balancing and modernisation of three Sugar Mills, namely (1) Panchagarh Sugar Mills, (2) Zeal Bangla Sugar Mills and (3) Faridpur Sugar Mills.

The Commission discussed Term Plan of the Cooperation (MTPC) in the area of small and cottage industries prepared during the visit of the team of Indian experts to Bangladesh from 16 to 26th May, 1983 and presently under examination by both governments. Both sides agreed to urgently consider the possibility of a phased implementation of the Plan. The Bangladesh side outlined priorities for immediate assistance as contained in Annexure-B. The Indian side agreed that the plan would be examined in the light of the priorities indicated.

The two sides reviewed the status of implementations of the Memorandum of Understanding on Technical Assistance and expressed satisfaction that the various schemes as given in Annexure-C, had been completed. It was agreed by both sides

to complete the remaining proposals as in the Annexure-D, as early as possible.

Progress of negotiation for concluding an Agreement between the Governments of Bangladesh and India on avoidance of double taxation was reviewed. It was noted that the Bangladesh side had recently conveyed their acceptance of the modifications suggested earlier by the Indian side in respect of the text of 8 articles of the draft Agreement. It was agreed that Bangladesh side would specify dates for the second round of talks to be held at Dhaka, preferably in the last week of December 1983 for settling the remaining open articles of the draft Agreement.

The two sides noted with satisfaction the progress achieved in the utilization of two credits offered by India to Bangladesh. It was noted that an Agreement on Government-to-Government Credit of IRs. 200 million was signed in Dhaka on 15 June 1983 and funds were allocated to executing agencies in Bangladesh for import of capital goods and equipment for India by June 1985. It was further noted that agreements on commercial credit of IRs. 400 million were signed between the representatives of the EXIM Bank of India and the financial institutions commercial banks in Bangladesh on 20 August 1983 in Bombay.

In accordance with the decision of the first meeting of the Commission, the representatives of Railway Ministries of Bangladesh and India met in Dhaka between 30 January and February 1 1983 and made firm recommendations for consideration. The meeting took note of these recommendations for grant of in-transit facilities for transport of Indian goods through the Bangladesh territory and expressed satisfaction that the task had been completed by the Railway Administrations of the two countries. The meeting also noted that the survey and other preliminary work for undertaking the construction of the siding had also been completed by the two sides. The Commission decided to pursue the matter

and directed the Standing Committee to take it up at its next meeting.

Discussions for the setting up of a Concrete Sleeper factory in Bangladesh on the basis of a proposal already made by IRCON India should be held in New Delhi by October 1983 with a view to finalising the modalities for carrying out the project.

Bangladesh side had furnished a proposal on 16.8.83 in connection with the modernisation of railway workshops in Bangladesh. The Indian side agreed to consider the proposal expeditiously so that further discussions could be held and the matter could be finalised before the next meeting of the Standing Committee.

The two sides also discussed the question of overall survey of inter-modal transport requirement including rail transport in Bangladesh. In this context it was decided that as a follow up to the visit of an officer from RITES, India would submit a preliminary report based on available data on projecting future medium as well as long term requirements to the Bangladesh side by January 1984. It was also decided that this report would form the basis of a more detailed study on these aspects on a bilateral basis and in particular with a view to facilitating co-operation in this field between the two countries.

The draft Agreement for the Regulation of Motor Vehicles Traffic between the two countries was discussed. The Commission directed that examination of the points raised by both sides should be completed at a very early date so that the concerned officials of the two sides may hold further discussion in the matter before its next meeting.

The two sides expressed satisfaction that the decisions taken at the first meeting of the Commission in regard to the improvement and augmentation of telecommunications links between the two countries had been substantially

implemented. For example, telephone circuits between Dhaka—New Delhi, Dhaka—Bombay and Dhaka—Calcutta have been doubled, the telegraph channel between Dhaka—Calcutta—New Delhi had been brought to the full existing capacity of 34 channels, and 2 new manual telex circuits had been opened between Dhaka and Calcutta. Both sides felt that fully automatic telex facilities should be established as early as possible and for this purpose technical level meetings should be held by the end of 1983.

The two sides discussed the Protocol on Inland Water Transport and Trade which is due to expire on October 3, 1983. While agreeing in principle that the protocol should be extended for a further period as may be mutually agreed upon sides felt that the senior officials of the two countries should meet in New Delhi during the middle of September 1983 for detailed discussions in this regard as well as to review the problems which have emerged in the implementation of the Protocol.

The two sides agreed to explore the possibility of establishing direct airlinks between the capitals of the two countries as early as possible as a measure to facilitate exchanges between the two countries.

The Commission reviewed the implementation of the India—Bangladesh Agreement of co-operation in Science and Technology. It was agreed that the programmes under this agreement would cover those areas which did not fall under the purview of the Agreement on Agricultural Research between ICAR and BARC. Under the Agreement on co-operation in Science and Technology the Bangladesh side presented their priority areas as New and Renewable Sources of Energy, Low-cost Housing and Waste Recycling, Meteorology, Medical Research, and Science and Technology Policy and Plann

ing. It was decided that, with a view to preparing specific programmes of co-operation in these areas a team of experts from Bangladesh would visit India by October 1983. The Bangladesh side also presented proposals on new areas of possible co-operation, such as food irradiation and Medical Sterilization and research reactor utilization. These would be considered by the Indian side.

The two sides also exchanged information on, and literature produced by scientific bodies societies in the two countries. It was agreed that, during 1983—84 there would be an exchange of 10 scientists experts from each side to attend conferences and visit research institutions in mutually agreed areas.

In the field of agricultural research, the Commission noted with satisfaction that an exchange of visits would take place in August and September 1983 between the BARC and IEAR during which a programme of activities would be worked out.

The Commission endorsed the decision of the Standing Committee meeting concerning immediate functioning of the Committees on (a) Trade and Commerce (b) Industries; and (c) Science and Technology at the level of Joint Secretaries of the concerned Ministries of the two Governments. It was also decided that the Committee on Economic and Financial matters should be constituted to formulate recommendations on timely utilization of the credit lines available, formulate proposals on modalities of financing joint venture projects and deal with issues pertaining to cooperation in Banking and Insurance. It was agreed that nominees of the two governments for these committees would be designated as soon as possible.

The Commission decided to hold its next meeting in New Delhi during the middle of 1984.

SUPREME COURT GROUP HOLDS SEMINAR; ERSHAD RESPONDS

Opening Day's Session

Dhaka THE BANGLADESH TIMES in English 20 Aug 83 pp 1, 8

[Text] Democracy and the judiciary were inter-related with each other. Without democracy judiciary can not function. For freedom of judiciary democracy must be restored.

This was the consensus on the first day of a seminar on 'democracy and independent, strong judicial system' on Friday. The two-day seminar has been organised by the Supreme Court Bar Association (SCBA).

Presided over by Mr Shamsul Huq Choudhury, President, Supreme Court Bar Association the meeting was addressed by Mr Justice B. A. Siddiky, President, Bangladesh Muslim League (Siddiqui), Khandaker Mushtaque Ahmed, Chief of the Democratic League, Mr Justice Kemaluddin Hossain, former Chief Justice, Mr Gias Kamal Choudhury, President, Jatiya Press Club, Syed Ishtiaque Ahmed, a member of SCBA, Mr Sanaulah Nuri, Editor, Dainik Desh, Maulana Abdur Rahim, President, IDL, Khandaker Mahbubuddin former President, SCBA, Mr Sudhangshu Sekhar Halder, member SCBA, Hafezzi Hujur, Maulana Mohammadullah, Chief of Bangladesh Khelafat Andolan. The speech of Begum Khaleda Zia, Vice-Chairwoman of BNP (Sattar) who could not attend it due to indisposition, was read out by Mr Rafiqul Islam, Publicity Secretary of BNP.

Mr Shamsul Huq Choudhury called for strengthening the judiciary, maintaining its independence from the executive. He also called for restoration of the constitution of 1972 as it existed on March 23, 1982.

In a written speech, Khandaker Mushtaque Ahmed urged the government to hold general elections to elect a sovereign parliament immediately on the basis of the suspended constitution.

Mr Justice B. A. Siddiky, President of Muslim League also called for holding elections for a sovereign parliament by March 23, 1984. He pointed out that no other elections, minor or major should precede the parliamentary polls. He stressed on the rule of law and independence of judiciary.

Former Chief Justice of the Supreme Court Mr Justice Kemaluddin Hossain called for restoration of the suspended constitution and the judicial system with fundamental rights and writ jurisdiction.

Syed Ishtiaque

Syed Ishtiaque Ahmed narrated the progress of judiciary since High Courts were established in 1861 in Calcutta, Madras and Bombay by the British government in the sub-continent. He pleaded for maintaining the independence of judiciary from the executive.

Mr Sanauallah Muri observed that democracy was a pre-requisite for independent judiciary.

Begum Zia

Begum Khaleda Zia in her speech pointed out that democracy and independence of judiciary were related. Unless democracy was restored the judiciary can not function independently, she noted.

She further said that a constitution guides the democratic society and only an elected parliament could amend the constitution. She also pointed out that the judiciary is the supreme guide of the people and right to get justice is the fundamental right of the people.

Moulana Rahim

Maulana Abdur Rahim called for Parliamentary elections to frame a new constitution and setting up a Khelafat. Hafezzi Hujur Maulana Mohammadullah said that human beings are servants of Allah and guided by his laws.

Mr. Gias Kamal Choudhury called for restoration of the glory of the judiciary and democratic institutions.

Two session will be held today (Saturday) which will be addressed by Sheikh Hasina Wazed, President Bangladesh Awami League (Hasina) Mr. Moni Singh President, CPE Professor Muzzaffar Ahmed President NAP (M), Dr. Kamal Hossain, Mr. Sirajul Huq Mr. Asaduzzaman Khan Syed Altaf Hossain Members of the SCAR, Sheikh Fazlul Karim Selim Editor, Banglar Bani Professor Kabir Chowdhury Professor Sirajul Islam Chowdhury.

The afternoon session will be participated by Mr. Justice Debesh Bhattacharya Begum Sufia Kamal, Md. Yasin Mr. Maniruzzaman Mia President Dhaka University Teachers Association, Mr. Abul Asad Editor Parik Sangram Mr. Ahmed Humayun, President Bangladesh Federal Union of Journalists Mr. Justice T. H. Khan Dr. Ahmed Sharif, Professor Abduri Razzak Mr. Shamsul Huda Choudhury President, BLP (Huda) Mr. Abbas Ali Khan chief of Jamaat-e Islam and Mohammad Azam.

More on Inaugural Session

Dhaka HOLIDAY in English 20 Aug 83 pp 1, 8

[Article by Ataus Samad]

[Text] A Notable jurist said on Friday that Lieutenant General Ershad and his government in their actions regarding the Bangladesh constitution and the country's judiciary have violated principles set by the United Nations and the International Commission of Jurists.

Speaking at the seminar on 'Democracy and an Independent and Strong Judicial System' the former chief justice Mr Kemaluddin Hussain said that among the human rights recognised by the United Nations as "non-suspendable" are the right to live, right to speech and right to property. By suspending the constitution and the fundamental rights of the people, the present government has contravened those human rights, he said.

The seminar, organised by the Bangladesh Supreme Court Bar Association, began without a hitch Friday morning. The seminar was proposed to be held in May but it was postponed at the time because the police authorities raised questions whether it could be held without due permission, the association's president Shamsul Haque Chowdhury said.

The inaugural session of the seminar was addressed by former president Khondaker Hushtaque Ahmed, former chief justice of East Pakistan M. B. A. Siddiky, and former chief justice Mr. Kemaluddin Hussain.

Justice Hussain said he refrained from commenting on his own 'premature retirement' in the context of the undermining of the independence of the judiciary but he discussed in some detail the claims of the government regarding the judicial system. Analysing the "so-called decentralisation" of the judiciary, he said that this was done without determining the principles of decentralisation.

He argued that each of the new benches of the high court division have become independent courts because each have been given territorial jurisdiction. No method has been prescribed to give a decision on divergent judgments awarded on similar cases by two different benches. He pointed out that even the question of a decision to resolve such a contradiction would not come up now unless a litigant made an appeal to the appellate division in this regard.

Talking about the claim that justice has been brought to the doorstep of the people Kemaluddin Hussain asked, "are the poor people more able than before to claim justice? Have you reduced court fees or have you made any arrangement for legal aid to help them?"

Justice Hussain also said that to protect the independence of judges the International Commission of Jurists had laid down a norm, among others, that the terms of remuneration of a judge shall not be changed to his disadvantage after

his appointment. In Bangladesh the conditions of service of sitting judges have been changed.

Two Sets of Judges

Pointing out another anomaly he said that now there are two sets of judges in the Supreme Court: In one set are those who took oath of office under the constitution and in another are those who are being given oath under the martial law proclamation.

He said that the fundamental rights of the people, the right of writ of the courts and the judicial system as provided in the suspended constitution should be restored immediately.

Justice B. A. Siddiky said that there were two essential conditions of an independent judiciary. One is that once a judge has been appointed he becomes a judge of the state and not of a president or of any other. That is, a judge is not to be influenced directly or indirectly from dispensing justice. The other condition is that the chief justice must be the head of the judiciary, which means it is he who appoints the subordinate judges or at least they are appointed on his recommendation. None of these conditions exist now.

Mr. Justice Siddiky described the fundamental rights of the people as their birth-right, granted by God. He said that none has the right to take these away."

The state can put some restrictions on the exercise of these rights for the good of the community but you cannot transgress on them", he said.

Election

Justice Siddiky, who is at present the president of one section of the Muslim League, demanded restoration of democracy and said that the parliament election should be held latest by March next year. He also said that no other election should be held before the parliament was elected because such elections should have to be held under the authority of a parliament.

He called upon the lawyers to lead the struggle for democracy but he regretted that many of the 800 members of the Supreme Court Bar Association did not turn up at the seminar.

Disaster

Former-president Khandaker Mushtague Ahmed, in his address, reiterated that the "national consensus now" has that a sovereign parliament should be created immediately by a general election on the basis of the constitution which has been suspended. He warned that a disaster would befall if this consensus was not heeded.

Khandakar Mushtaque Ahmed noted that the lawyer community had suffered because they had protested against "the interference" in the judicial system by the martial law authorities. He congratulated them on their struggle. At the same time he said that though regrettable, some politicians, intellectuals and even some judges have collaborated with the "despotic regimes".

The seminar will conclude on Saturday.

Concluding Day's Session

Dhaka THE NEW NATION in English 21 Aug 83 pp 1, 8

[Text] The two-day seminar on "restoration of democracy and independence of judiciary" sended in Dhaka yesterday with a common call for holding election for a sovereign parliament by March next before any poll of the local bodies.

"The entire nation has reached a consensus on holding of the parliamentary election before any poll", the speakers said raising a common demand for a specific date of election to parliament.

They observed that an early election for a sovereign parliament will pave the way for establishment of democracy and preseed for restoration of fundamental rights and absolute independence of judiciary.

Split into two sessions, the day-long marathon seminar of the concluding day held at the Supreme Court Bar Association's auditorium was participated, among others, by Awami League (Hasina) leader Dr. Kamal Hossain, People's League chief Dr. Aleem al-Razee, Vice-President of Democratic League Mr. Oli Ahad, acting Amir of Jamaat-e-Islami Mr. Abbas Ali Khan, CPB chief Mr. Moni Singh, Ekota Party Chief Syed Altaf Hossain, Sangbad Editor Mr. Ahmedul Kabir, edcuationists Prof Kabir Chowdhury and Dr. Ahmed Sharif, former Minister Justice T. H. Khan, Banglar Bani Editor Sheikh Selim and Mr. S. M. Nurul Islam, Mr. Sirajul Haque, Mr. Alimuzzaman Chowdhury and Mr. Giasuddin Ahmed, senior members of the Supreme Court Bar Association. Both the sessions were presided over by association's President Mr. Shamsul Haque Chowdhury.

Awami League Chief Sheikh Hasina Wazed did not turn up at the seminar, but her written speech was read out at the seminar by a member of the presidium of her party Mr. Korban Ali. General Osmany, Maulana Tarkabagish and poet Sufia Kamal could not attend the seminar due to illness.

Taking part in the seminar Dr. Kamal Hossain pressed for transfer of power to the people and said that with this end in view election to parliament should be held in the country as soon as possible for the greater interest of the nation.

He said, the people themselves can only determine their own lot. If they are deprived of this basic right, the situation in the country will further deteriorate. He said, we are not raising this demand to stage a comeback to power.

Dr. Kamal said, majority of the people in the country are now deprived of their basic rights despite the universal declaration. He put up a strong plea for establishment of democracy and restoration of independence of judiciary making the constitution supreme.

People's League chief Dr. Aleem-al-Jazee said, today we are living under a dual administration. 'Independence means slavery in our country', he said adding that 'nobody has the right to turn our freedom into slavery.

Dr. Razee referred to the frequent suspensions of and changes in the constitution and said "this is nothing but a floating entity like water hyacinth". On the other hand, citing Indian example, he said 70 crore people have been living there under the same constitution for long 35 years.

The People's League chief said democracy was never established in the country in last 37 years. An attempt was made to initiate it in 1972 but that, too, could not succeed. He said the history of Bangladesh in last 12 years is a history of bloodshed and violence.

Democratic League Vice-President Mr. Oli Ahad said, the bar, sensitive as it is to the cause of democracy, must play the pioneering role which alone can create a great intellectual stir in the country against the design to undermine the sovereign rights of the people.

The DL leader hoped that some one would soon appear in the mantle of great Jayaprakash Narayan to mobilise the citizens to a man in defense of democracy and liberty as was witnessed in the days of emergency of 1975 in India.

In her written speech, which was read out at the seminar Sheikh Hasina Wazed urged the people to participate in united struggle with the spirit of 1971 for restoration of democracy and independence of judiciary. She felt that the political crisis now prevailing in the country could be overcome only through establishment of an elected, representative and sovereign parliament.

Acting Amir of Jamat-e-Islami Mr. Abbas Ali Khan called for adherence to Islamic ideals for establishment of real democracy in the country. He said the judiciary have to play an absolute independent role in order to keep intact the principles of democracy. He, however, said that the law created by man can not ensure justice for man as no man is absolutely perfect.

CPB chief Mr. Moni Singh in his speech said a trend of national democracy will have to be introduced in the country for heading towards socialism. The national democracy also ensure a free Parliament in the country, he said and warned the audience that the influence of vested interest has swept all spheres of the society.

Ekota Party chief Syed Altaf Hossain called for launching an uncompromising struggle against the imperialist forces and their created wealthy class for establishment of an atmosphere conducive for democracy in the country. He said, it is not possible to establish democracy in the country until the enemies are fought out.

Sangbad Editor Ahmedul Kabir urged the members of the legal profession to show the way in which democracy could be established. He said the lawyers should express their solidarity with the political parties' unity move for restoration of fundamental rights of the people.

Justice T. H. Khan said that democracy and judiciary are so closely inter-linked that one can not be thought of without the other. For restoration of power of judiciary, he called for allowing High Court to exercise its writ jurisdiction and function under Article 102 of the constitution.

In his presidential speech, Mr Shamsul Haque Chowdhury urged the political parties to unitedly move ahead for turning Bangladesh into a democratic and prosperous country where the people will have opportunity of enjoying their fundamental rights and deciding their future.

Ershad Responds in Speech

Dhaka THE BANGLADESH OBSERVER in English 22 Aug 83 pp 1, 12

[Text] SADARPUR (Faridpur) Aug. 21:--The Chief Martial Law Administrator, Lt. Gen. H. M. Ershad today declared that his government has taken meaningful steps to establish real democracy in letter and spirit and ensure supremacy of independent judiciary, reports BSS.

Addressing a mammoth public gathering here, the CMLA said this is for the first time in the history of the country that people's democracy is going to take firm root and judiciary has been separated from the executive up to the lowest level.

He said the process of real and peoples democracy has been set in motion with the decentralisation programme. The upgradation of thana into upazila, the setting up of munsiff court in each upazila and establishment of permanent high court bench at seven different places will usher in a new era in administration and judiciary. This is no little achievement against the socio-political background that existed in our country, he added.

Gen. Ershad said one of the tragedies of our socio-political and economic life had been the contradiction between practice and preachings of some of the leaders who were at the helm of affairs or associated with power in the past. That is what the history of last twelve years suggests, he added.

He said self-centred politics of those leaders made a farce of democracy. It was they who killed democracy. When democracy was not established how could it be re-established he asked and added the country had again witnessed dictatorship and rubber stamp parliament during their regimes.

The CMLA said, 'we are going to establish it for the first time by building up tradition, institution and system which are essential for continued stability in political and economic conditions.

Gen. Ershad said, lawyer are respectable persons in the society and they are first to respect law. But how they could afford to use the building of the highest seat of judiciary as a venue for political purpose in the guise of symposium. That sacred and dignified place and the respected Supreme Court Bar Association were meant for professional discussions on law and justice: "Was it lawful to undermine the sanctity of the place of independent character by allowing speeches of political nature? Was it not a matter of shame? Was it not a farce for political gain and furtherance of personal cause of maintaining the source of income beyond limit? He asked and added: "They should have thought of other fellow lawyers who are practicing in the districts.

He said: some of those who are talking of independent judiciary kept quiet for years in the past when independence of judiciary was curtailed and the laws of Lord Clives time continued. "It is we who have gone for law reforms to put an end to the trade on human miseries" he pointed out.

Referring to the 18-point programme, Gen. Ershad said it is the magna carta for attaining economic emancipation. It does not belong to any individual or group, it is the property of the entire nation. He said, the programme has already received spontaneous support from the people of all walks of life because, it is designed to bring improvement in the lot of the teeming millions by ensuring rapid socio-economic development and attaining self-sufficiency in all sphere of national life.

The CMLA said, the economy of the country which was battered and reached to the lowest ebb due to fiscal plunderings in the past has been showing positive signs of improvement following adoption of pragmatic measures in the economic sector. He said, the rate of economic growth which suffered a deep depression in early last year before coming to power of the present government has now been rejuvenated.

Gen. Ershad spoke of land reforms saying that the policy announced by the Government is a revolutionary step fulfilling the long awaited dreams of the poor peasants. He said, the reforms will ensure a secured livelihood and homesteads to the peasants and their rightful share in the crop which was denied to them in the past.

He said all these steps taken by the government in the agriculture sector is the part of crash programme to attain food autarky in two years time

Turning to the unbridled growth of population, he said we have to make concerted efforts to curb population surge, otherwise all our development efforts will be rendered futile. He urged the educated section of the society to motivate the people to adopt family planning in the greater interest of the nation.

Gen. Ershad underlined the need for a overhauling of the colonial education system making it work-oriented and meaningful serving the national requirements. He said, we all agree that the present system does not assure our students of employment rather, it creates frustration in them which in turn

tends to affect the social balance. The government wants to recast the education system so that our future generation do not fall victim to uncertainty and frustration, he added.

The CMA reiterated his support for those students who will uphold the four principles namely to shun party politics, create congenial academic atmosphere maintain cordial teacher-student relation and take part in nation building activities.

Referring to the persecution of women, he said time has come when we should ensure honour and rightful place of women in the society. He called for building social resistance against persecution of women saying only enactment of laws can not protect the women folk from oppression.

Turning to the erosion of moral values in the society, he said this can be stopped only by reflecting the ideals and values of Islam in every sphere of our state and national life.

Gen. Ershad said Sadarpur is not merely an upazilla it is a replete with glorious history. The people of this place are fortunate to have the blessings of Almighty Allah and that of a renowned living saint of our time, Shah Sufi Faridpuri who is spreading Islam and its teachings among tens of thousands who come to Sadarpur to pay him their highest regard. 'Like thousands other, I also come here for religious guidance and mental peace from this great spiritual leader' he said.

Later Gen. Ershad went to Bishwa Zakir Manzil and met the Pir Shabib to pay his respects.

He also addressed the upazilla officials urging them to work hard to mitigate the sufferings of the poor people.

During his visit to Sadarpur the CMA was accompanied by the Principal Staff Officer, Major General Atiqur Rahmau the Chief of the General Staff Major General Nurruddin Khan the Zonal Martial Law Administrator Zone 'E' Major General Sadequr Rahman Chowdhury and the Zonal Martial Law Administrator Zone 'A' Major General K. M. Abdul Wahed.

CSO: 4600/1562

ERSHAD REITERATES SOLIDARITY WITH PALESTINIANS

Dhaka THE BANGLADESH TIMES in English 22 Aug 83 p 1

[Text] The Chief Martial Law Administrator Lt. Gen. H M Ershad, said in Dhaka on Saturday that the question of occupation of the holy city of Jerusalem by Israel was inextricably linked to the visual problem of Palestine, reports BSS.

In a statement on the occasion of 'Jerusalem Day and the Day of Solilarity with the Palestine people' the CMLA said that the people of Bangladesh on this day join their Muslim brethren throughout the world in reiterating their total solidarity with the Palestinian brothers in their just struggle.

Describing August 21 as a day of special significance for the Islamic ummah, General Ershad said it was 14 years ago that the Musjidul Aqsa was desecrated and set on fire. The sacrilegious crime and the burning of the historic mosque, which is treasured revered by the entire Islamic ummah, highlighted once again the need for Islamic unity and solidarity, he added.

The CMLA in his statement said on this day we pay our homage to all the men, women, and children who laid down their valuable lives in the cause of Islam and in the struggle to liberate the occupied Arab territories, including the holy city of Jerusalem. The day is being observed by Muslims the world over, not only to signify their deep attachment to the holy city but also to protest against the continued and blatant Israeli occupation and judaisation of Jerusalem.

The question of occupation of the holy city is inextricably linked to the visual problem of Palestine. On this day the people of Bangladesh join their Muslim brethren throughout the world in reiterating our total solidarity with our Palestinian brothers in their just struggle for the restoration of their inalienable rights including their right to the creation of an independent Palestinian state and for the liberation of all Arab territories and the restoration of the holy city of Jerusalem to Islamic and Arab sovereignty.

May Allah grant us strength and courage to achieve our common objectives.

CSO: 4600/1583

DECISIONS OF 21 AUGUST CABINET MEETING REPORTED

Dhaka THE BANGLADESH OBSERVER in English 23 Aug 83 p 1

[Text] The Council of Ministers, in a meeting held on Sunday under the chairmanship of the Chief Martial Law Administrator Lt. General H. M. Ershad, approved the Local Government (Union Parishads) Ordinance 1983 which provides for the constitution of the Union Parishads for the rural areas, reports BSS.

A Union Parishad shall consist of a Chairman, nine elected members and three women members. The chairman will be elected by the direct votes of all the voters of the union on the basis of adult franchise and three members from each of the three wards will be directly elected by the voters of the wards. Women members will be nominated by Upazilla Parishad, one from each ward of the union.

The term of a Union Parishad shall be three years.

The main functions of the Union Parishads are--(A) to increase economic and social uplift of people by adopting and implementing necessary development schemes in the field of agriculture, forestry, fisheries, livestock, education, health, communication and cottage industries, (B) implementation of such development schemes as may be assigned to Union Parishad by the Upazilla Parishad, (C) promotion of family planning, (D) maintenance of law and orders, measures to stop crime, disorder and smuggling, control and supervision of village police, assistance to administration in maintaining law and order situation, (E) sanitation, conservancy, and adoption of other measures for the cleanliness of the union, (F) provision and maintenance of wells, water pumps, tanks, ponds and other works for supply of water, (G) development of local resources and their use, (H) protection and maintenance of public property, such as roads, bridges, canals, embankments, telephones and electricity lines (I) reviewing of the development activities of all agencies at the union level, consultation with the officials of the union level and to make recommendations to the Upazilla Parishad in regard to their activities, and (J) registration of births, deaths, blinds, beggars and destitutes, conducting of census of all kinds.

A Union Parishad will have its own budget and has been given powers with the previous sanction of the Upazilla Parishad to levy taxes, rates and fees as per rules, on (a) annual value of homestead and residential land (B) rate for village police, (C) fees on birth marriage and feasts, (D) community tax on adult males of the union for civil works aimed at providing or augmenting public welfare, and (E) fees for specific welfare or maintenance of public utility service rendered by the Union Parishad.

BRIEFS

NEW ALBANIAN AMBASSADOR--Mr. Dhimiter Stamo has been appointed ambassador of the People's Socialist Republic of Albania to Bangladesh with residence in Beijing, according to an official announcement in Dhaka on Sunday, reports BSS. Born in 1931, Mr. Stamo graduated in History from Tirana University. He joined the Ministry of Foreign Affairs in 1956 and served the Albanian missions in Belgrade, Bucharest and Budapest in various capacities. From 1975 to 1979, Mr. Stamo was Albanian ambassador to Kampuchea. At present, he is ambassador to China. He is married. [Text] [Dhaka THE BANGLADESH OBSERVER in English 22 Aug 83 p 3]

INTRUSION INTO DAHAGRAM--LALMONIRHAT, Aug 18: Two persons of Dahagram enclave namely Shahir Ali and Mosar Uddin were forcibly taken into custody by Indian B.S.F members from Dahagram on the August, 10, it is learnt. It is gathered that on the day of occurrence, four Indian BSF members entered into Dahagram enclave with more than 150 Indian nationals, forcibly entered the houses of Shahir Ali and Mosar Uddin, started beating mercilessly the inmates, looted the household belongings and took two of the house-owners in their custody. This was disclosed by Mohima Khatun wife of one of the victims Shahir Ali, who came to Patgram Upazilla Headquarter on the 11th August with one of her minor children in her lap named Majidul. Mrs. Mohima Khatun expressed her bitter experiences on the day of occurrence in emotion choked voice and demanded necessary action against this type of nefarious activities. Patgram police was informed of this but they are quite undone in this respect. [Text] [Dhaka THE NEW NATION in English 22 Aug 83 p 2]

ACCORD ON BORDER RIVER--SILCHAR, Aug. 13: India and Bangladesh have agreed not to have further spurs built up along their respective banks of the border river of Kushiara in Karimganj district reports PTI. The decision was taken at a meeting of the local level committee of the Indo-Bangladesh Joint River Commission here recently. Cachars Superintending Engineer for Flood Control Mr. S. Das who was one of the members of the Indian delegation told PTI that the Commission had also decided to conduct joint survey to ascertain the progress of the demolition of spurs already constructed on both the bank- of Kushiara. [Text] [Dhaka THE BANGLADESH TIMES in English 14 Aug 83 p 1]

CSO: 4600/1585

GANDHI OPPOSED TO INVOLVEMENT IN CENTRAL AMERICA

Madras THE HINDU in English 24 Aug 83 p 9

[Article by G. K. Reddy]

[Text]

NEW DELHI, Aug. 23.

The Government of India has reaffirmed its support to the efforts of what is called the Contadora group — consisting of Mexico, Colombia, Panama and Venezuela — which is seeking to mobilise world opinion against all forms of foreign involvement in the Central American States.

The envoys of the four countries met the Prime Minister, Mrs. Indira Gandhi, yesterday to press for a firm statement of support by India in its dual capacity as a major Asian country and chairman of the non-aligned movement.

At a summit meeting of the Heads of State of Mexico, Colombia, Panama and Venezuela in Cancun last month, a 10 point action programme was adopted to save Central America from civil wars, foreign military intervention and economic exploitation, promote better understand-

ing among the countries of the region and lay down a code of conduct to discourage subversion and bring about liberalisation of the political systems by restoring respect for human rights.

Plan for summit: The Contadora group proposes to call a summit conference of all Central American States to evolve a mechanism for settling local disputes without seeking foreign intervention. It also proposes to initiate a programme of self-help in the region to assist the poorer countries of the area to develop themselves in an atmosphere of peace and stability without getting involved in armed conflicts.

The Prime Minister, who listened to the envoys patiently, assured them of India's full cooperation. As Prime Minister of a country that has not hesitated to condemn strongly all forms of foreign intervention, whether in Asia, Africa or Central America, she promised to play her part in mobilising world opinion in favour of a peaceful settlement of Central American disputes without outside interference.

CSO: 4600/1575

GANDHI BEGINS CONSULTATIONS ON STATE OF NATION

Madras THE HINDU in English 25 Aug 83 p 9

[Article by G. K. Reddy]

[Text]

NEW DELHI, Aug. 24.

The Prime Minister, Mrs. Indira Gandhi, has started a new series of consultations with a select group of senior Ministers on the state of the nation, as it were, for region-wise and State-wise review of the country's problems.

These Ministers, who are also members of the Political Affairs Committee of the Cabinet, met yesterday in her room in Parliament House without officials, for commencing this exercise in complete privacy to enable Mrs. Gandhi to have the benefit of their advice.

The concern at the Centre over the deepening ferment in the country is not confined to any particular region or for that matter to the Congress (I) governed States. The disquiet is focussed on the general decline in the quality of political leadership, the fall in administrative standards, the worsening law and order situation and the growing disillusionment of the people with unkept promises and poor performance of both categories of State Governments.

Critical look: What exactly the Prime Minister and her colleagues discussed yesterday at their first meeting in this series is not known. But the very fact that they felt the need to take this critical look at the many baffling problems facing the country reflected at least an awareness of their existence and a readiness to tackle them. There are many areas of non-performance both at the Central and in the States which are at least partly, if not wholly, attributable to the inadequacies of leadership in the sense that important Ministries at the Centre and several State Governments continue to be headed by party functionaries with little or no experience.

Poll prospects: The Prime Minister has been saying publicly that she has no intention of going in for early elections, but she has also been telling her colleagues privately that the Congress (I) has not much time left for setting itself in order before facing the people again. It is immaterial whether she decides to go to the polls either early next year or at the end of 1984 in the normal course, since the people have already started thinking in terms of the next elections.

Party image: It is the psychology of this impending ordeal that is impelling Mrs. Gandhi to make this belated effort to improve the image of her party and the Government. In six out of 12 major Congress (I)-ruled States, the Chief Ministers installed in 1980 have been changed and in two of these the party has been ousted from power with a shattering impact on its morale.

An all-out attempt is being made now to shore up the Congress (I)'s position in all these States by jettisoning some more Chief Ministers if it becomes unavoidable in the party's larger interests. The decision to drop Dr. Jagannath in Bihar came in the wake of this belated realisation that something drastic needed to be done soon.

At the Centre itself, there is renewed talk of some Cabinet changes as part of this image-building operation. But whether these changes will be made before she leaves Delhi on September 20 on her two-week long trip to Athens, Nicosia and New York or on her return is still an open question.

The earlier tendency has been to pick on non-Congress (I) State Governments to highlight their shortcomings, instead of taking any positive steps to improve the Congress (I)

governments. But now the accent is on toning up the quality of Congress (I) rule whether it is at the Centre or in the States.

Corruption unchecked: A subject which no senior colleague is prepared to take up with Mrs. Gandhi is about the growing evil of corruption in public life. It is this single aspect, apart from the arrogance of power, that contributed to the Congress (I)'s defeat in Andhra Pradesh and Karnataka much to Mrs. Gandhi's consternation.

But she has begun to accept this evil as a fact of life as though nothing much can be done even to curb, let alone control it. If the people are infuriated over the brazen manner in which money is being collected without any fear of retribution, it is because of the widespread feeling that she is not really serious about doing anything to stop it.

As one perceptive political observer put it, this evil has not spread from the States to the Centre, but percolated from the Centre to the States. The only difference in his view, is that there is at least a pretence of uneasiness over it at the Centre, while at the State level the fig leaf has been discarded without any embarrassment.

Real challenge: The real challenge in this atmosphere of declining values is that the quality of political leadership is placed on integrity and experience; the administration cannot be toned up if Ministers do not stop playing favourites and using officials as middlemen; the country's problems cannot be faced with any measure of commitment to public welfare if those in authority have no sense of priorities or capacity for chalking out qualitatively superior solutions to well-defined problems.

POSSIBILITY OF ANDROPOV DECEMBER VISIT NOTED

New Delhi PATRIOT in English 22 Aug 83 p 7

[Text] MOSCOW, Aug. 21 (UNI)--Soviet President Yuri Andropov may pay a short visit to India this winter, it is learnt.

The uncertain conditions in Europe, arising out of the cold war, are obstructing the finalisation of the dates of his visit, informed sources said.

An invitation to visit India was extended to him in November last year when Prime Minister Indira Gandhi came here to attend the funeral of Mr. Leonid Brezhnev.

India will be the first non-communist country he will visit after being elected Soviet President. After assuming leadership of the Soviet Union, Mr Andropov has, in fact, visited only one country Czechoslovakia, to attend the recent Warsaw Pact Summit.

Meanwhile much of the backlog in economic cooperation is being cleared so that the summit meet in Delhi may have a clearer picture of the present situation.

The next session of the Indo-Soviet Economic, Technical and Scientific Commission will take place at the end of December this year, synchronising with Mr Andropov's visit to India.

Commerce Minister Vishwanath Pratap Singh will visit Moscow next month to discuss trade issues with his counterpart, Mr. N. Patolichev.

The third session of the working group on coal is also scheduled to be held at the beginning of September. A delegation of the Atomic Energy Commission is also coming here soon and there are indications that a preliminary protocol may be signed on the proposed establishment of two atomic power stations with a 440-mw atomic reactor each.

The two countries are also to sign a new three year agreement on science and technology for which Dr. S. Vardhajan is coming here next month.

Meanwhile, sources here are reluctant to talk on the exact dates of the Andropov visit. They say if Kremlin decides to take counter measures to the

U.S. deployment of nuclear missiles in Europe, the Soviet President's presence here will be predetermined.

Though holding India in high opinion, Kremlin has reluctantly declined to attend the summit meet at the forthcoming UN General Assembly session, as had been proposed by India as Chairman of the non-aligned movement.

Observers here say that Mr. Andropov is in no mood to give U.S. President Ronald Reagan a chance to project himself as a man of peace after the two meet in New York.

CSO: 4600/1572

INDUSTRIALIST TEAMS TO USSR, EAST EUROPE

New Delhi PATRIOT in English 24 Aug 83 p 7

[Text] Two high-power delegations of industrialists sponsored by the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Associated Chambers of Commerce and Industry (ASSOCHAM) will leave for the USSR and some of the East European countries next week to explore ways of increasing trade and cooperation in other areas with them, reports PTI.

The visit is considered significant in view of the stalemate in India's trade with USSR and East Europe

Their discussions are also expected to cover cooperation of the Indian private sector in third country projects.

The FICCI delegation will be led by its president, Mr Ashok Jain, and the ASSOCHAM delegation by Mr Raunaq Singh immediate past president.

The delegation will explore the possibility of not only increasing exports from India but importing engineering items, among other things, which the Soviet Union was keen on selling to India.

Mr Jain told PTI that in particular, the delegation would examine ways of maintaining the tempo of trade with the USSR at 20 per cent growth annually.

Mr Jain said the private sector had been by and large satisfied with its export deals with the Soviet Union. The Soviet Union had no ideological reservations in dealing with the private companies, though it preferred to transact business with large agencies.

Mr Jain felt that economic cooperation between India and the USSR would be fruitful in the area of trade, industrial cooperation and transfer of technology and scientific and technical cooperation.

The USSR has emerged as India's leading trade partner in 1981-82 replacing the US. Exports to the USSR increased by 22.1 per cent from Rs 1226.29 crores in 1980-81 to 1504.89 crore in 1981-82.

Mr Jain said the Indian industries had bought diesel generating sets from the Soviet Union. The delegation would visit industries in the Soviet Union to study the range of goods they could supply.

He lauded the excellent scientific and technical cooperation between India and the USSR through establishment of industries like steel plants, aluminium smelter, heavy machine building plant, thermal power plant and so on. The industrial cooperation covered oil prospecting and mining, besides pharmaceuticals and drugs.

However, he pointed out that such cooperation had by and large been confined to the public sector enterprises in both countries. Indian private industry would be happy to cooperate in industrial design, technical skills, training, consultancy and market research, he said.

Mr Jain suggested fields of further cooperation like transportation, communication, electronics and transfer of technology from the Soviet Union where Indian private industry could play an important role.

He wanted greater access for Indian exporters to the Soviet consumers so that they could tune their exports to their tastes as well as introduce new fashions as in textiles. India was the only country whose goods had been displayed in exclusive show rooms by the Soviet Union, but that was not enough. The Indian exporter should have his own showroom, he said.

Mr Jain also envisaged supply by the Soviet Union of super thermal plants though it was too early if it could export captive power plants for the Indian private sector as Government was yet to take a policy decision.

The ASSOCIAM delegation will visit the USSR, GDR, Poland and Hungary from 29 August to 13 September besides holding discussions with representatives of the USSR Chamber of Commerce, and its president, Mr Pitovranov and various exporting and importing organisations.

CSO: 4600/1577

SUPREME SOVIET VICE CHAIRMAN'S VISIT REPORTED

Remarks on Sri Lanka

Bombay THE TIMES OF INDIA in English 21 Aug 83 p 9

[Text] BOMBAY, August 20: The president of the Uzbek Republic and vice-president of the U.S.S.R. supreme Soviet, Mr. I. B. Usmanhodjaev, has blamed foreign powers for troubles in Sri Lanka.

At a question-answer session organised by the Press Club, Bombay, today, Mr. Usmanhodjaev said that his government's view of the outbreak of clashes in Sri Lanka was carried by "Pravda" on its August 8 issue. The Soviet Union had condemned the violence in that island country.

The Soviet leader admitted to some Indo-Soviet trade imbalance but expected the problems to be overcome after a delegation of experts from both countries negotiated the hurdles now affecting the smooth flow of goods and services.

Asked if the Soviet Union could help India in its slum rehabilitation programme, Mr. Usmanhodjaev said that housing could be a new area of co-operation between the two countries. The Soviet government constructed houses for its citizens. The provision for housing in the current five-year plan of that country envisaged 500 million square metre for residences.

Mr. Usmanhodjaev said that there was no unemployment in his country. "On the contrary, we have shortage of manpower".

To overcome scarcity of numbers, the Soviet government was encouraging large family sizes. In Uzbekistan, where most women and over 10 children each, were conferred the title of "Mother Hero", he said.

Mr. Usmanhodjaev said that there was complete harmony among people practising different religions. "There is no bar on beliefs nor is there any clash on different religions" he stated.

Speech at Friendship Meeting

New Delhi PATRIOT in English 25 Aug 83 p 10

[Text]

UNITY and cohesion are needed for the struggle for a peaceful Indian Ocean. For this efforts of all the coastal states, especially concrete steps by individual countries are most important, observed President of the Soviet Union's Uzbek republic I B Osmanhoojaev on Wednesday.

In an interview with PATRIOT the Uzbek leader who is currently in the country leading a Soviet delegation, sketched the gloomy scene which faces the world today. Forces of imperialism, particularly the USA, continue to attack the peace, accelerate the arms race, build up their military potential in the Indian Ocean and shamelessly declare vast areas of our planet as the zones of their 'vital interest' noted the leader sadly.

In an explosive atmosphere like this, the Soviet Union, a few days ago, took the initiative and declared not to be the first to launch anti-satellite weapons in space said Mr Osmanhoojaev who is the Vice-President of the USSR.

Explaining his country's eagerness for peace the Uzbek leader said that though the Soviet Union had enough means to give a proper reply to any challenge to defend its interest and the interest of its friends, yet it believed that the existing problems could and must be solved only by peaceful means.

INDO-SOVIET TREATY

In this perspective the Indo-Soviet Treaty of Peace, Friendship and Cooperation, becomes more meaningful than ever before stressed Mr Osmanhoojaev. Admitting that 'certain circles in the West

and East tried to distort the nature of the Soviet-Indian relations and misrepresent the essence of the treaty' he said all such attempts, however, were doomed to failure.

Calling the Indo-Soviet friendship 'an example of harmonious cooperation of countries with different social systems', Mr Osmanhoojaev underlined the deep concern for peace and disarmament mutually felt by these two countries.

The Uzbek leader, who is on his first trip to this country, described his visit as 'a memorable one'. 'I was overwhelmed by the warmth which I saw everywhere. Strangers met like long lost friends. It really makes me very happy that Indo-Soviet friendship has a very healthy and bright future', he said confidently.

PATRIOT Interview Reported

New Delhi PATRIOT in English 26 Aug 83 p 10

[Text]

Indo-Soviet friendship has permeated all sections of society in both countries. This friendship is necessary not only for us but is in the interests of peace and progress in the world.

Former Supreme Court Judge V R Krishna Iyer said that Indo-Soviet friendship had become a people's movement. It was no longer possible for either Government to break it.

He decried a tendency to speak of two superpowers as though there was no significant distinction between them. Correctly speaking, there was a superpower on behalf of peace and another on behalf of war. India would always be on the side of the former.

The unique feature of Indo-Soviet friendship, he said, was that the Soviets wished us to become self-reliant. "Friends who wish us independence are genuine friends."

India, he said, was committed to the establishment of a socialist order. "This meant that we share the same ideals and almost the same ideology".

SOVIET PROPOSALS

Vice-President of the USSR and President of its Uzbek Republic I B Osmanhoojaev, who was also the chief guest of the evening,

spoke with gratitude of the warm welcome he had received wherever he had gone in this country. He took it, he said, as an index of the state of Indo-Soviet friendship. It showed that our relations were developing on a very sure foundation.

He spoke of the proposals his government had put forward to de-escalate nuclear tension. All had foundered, he said, on the refusal of the USA to do anything constructive in this regard.

The countries of NATO with the USA at its head were planning to unleash a new war, he said.

It was necessary, he felt, for all peace-loving nations in the world to unite in order to save mankind from annihilation and to preserve the creations of mankind. The Indo-Soviet Treaty, he said, was a significant step in this direction.

Earlier, CPI National Council member N K Krishnan said that

the unique thing about the treaty was that the two countries were planning for long-term cooperation regardless of change in governments. This showed its unshakeable nature.

He accused the American government of building a world military coalition against all progressive forces. That, he said, was the significance behind the decision to station US nuclear missiles in Europe.

Since a first-strike would never remain one but would engulf the world, it was essential to curb such intentions. This was the significance of the treaty.

The sub-continent, he felt, was facing a graver crisis than the one in 1971 which led to the treaty. India was sought to be ringed all around by hostile nations. This treaty was, therefore, essential.

Mr Shankar Dayal Sharma, MP, said that a true friend was a friend in need. The USSR, he said, had always been such a friend.

This friendship had helped in building Indian prosperity. He recalled Soviet help in setting up our steel industry and our petroleum industry, as also in building our defence capability.

FINANCE MINISTER REPORTS ON PRICE SITUATION

Calcutta THE STATESMAN in English 19 Aug 83 p 9

[Text] NEW DELHI, Aug. 18.--The Finance Minister, Mr Pranab Mukherjee, claimed in the Lok Sabha today that the rate of increase in wholesale prices so far this year was "much more moderate" than in the corresponding period in any of the previous four years. Even that increase, he said, was because of seasonal factors.

Making a suo motu statement on the price situation, Mr Mukherjee said that in the first seven weeks of the current financial year, the increase was nearly 3.9% "which was causing concern".

"In the 11-week period from May 14 to July 30, wholesale prices increased by 3.9%, which is significantly lower than the increase of 5.4% during the same period in 1983, 3.7% in 1982, 8.2% in 1981 and 7.9% in 1980".

However, taking the financial year as a whole, the increase of prices up to July 30, was 6.5% against 5.8% last year, 6.7% in 1981-82, 12.2% in 1980-81 and 12.8% in 1979-80. "The annual rate of inflation on a point-to-point basis on July 30 was 6.9% as compared with 9.9% on May 14 and 6.5% at the beginning of the financial year.

Mr Mukherjee said that the prices of certain items, particularly rice, pulses, edible oils, khandsari, gur, fruit and vegetables and tea, had increased rather sharply during this period.

Those items also figured prominently in the consumer price index which during the April-June period had shown an increase of about 6.2%. "As members are aware, the increase in prices of rice, pulses and edible oils reflects the disaster caused by the severe drought experienced in the previous kharif year. The Government has responded by making arrangements to import some rice and to step up releases of foodgrains and edible oils from the public distribution system". With improved crop prospects in the current kharif year, there should be a downward movement in these prices.

The increase in khandsari and gur prices, he said, reflected seasonal pressures as well as recovery from the unusually low levels of prices in the early part of the year. "Sugar releases have been stepped up in recent months which should exercise a moderating influence on prices of sweetening agents as a group".

The Government, Mr Mukherjee noted, had been keeping a close watch on price movements from week to week and, as was the case last year, this year also corrective measures had been taken to contain the general price rise. Apart from import of some rice, in addition to last year's decision for import of wheat for augmenting stocks, the step-up in releases of foodgrains and edible oils through the public distribution system and higher releases of free-sale sugar, the Government had also reduced prices of fertilizers by 7.5% to encourage greater use of fertilizers in the current kharif year. The decisions to increase the procurement prices of rice and other kharif crops should further provide incentives for maximizing production.

C98. 4600/1564

OVERALL PROFIT REPORTED FOR PUBLIC SECTOR

Calcutta THE STATESMAN in English 19 Aug 83 p 9

[Text] NEW DELHI, Aug. 18.--Though many major public sector undertakings continue to make losses, the provisional assessment of the overall performance of the public sector is that it has made a total net profit of RS 509.40 crores in 1982-83.

The reversal of earlier trends is expected to improve further in the current year when industrial production is expected to rise and better overall growth is registered.

A major drive has been undertaken to check losses and cost overruns in public sector projects and enterprises. Till now, the low capacity utilization in some of the operating enterprises and the delays in implementation causing cost overruns in projects under construction have been attributed to infra-structural constraints and managerial shortcomings.

The need for improving production, capacity utilization and generation of surpluses by public enterprises, as also for timely completion of projects under construction, is recognized and the Government has taken various steps towards this.

Among the major steps is the constitution of special study teams which would investigate into specific causes of continued low capacity utilization wherever noticed and recommend short-term and long-term remedial measures.

A Cabinet committee on infra-structure is entrusted with the task of continuously monitoring the performance of enterprises, for providing infrastructural facilities and for taking steps for improving their working. Additional investments are provided as balancing facilities and for captive power plants, wherever justified.

Regular monitoring by the Ministries and departments concerned through quarterly performance review meetings in respect to individual enterprises has been arranged.

The selection and appraisal of top managerial personnel as well as timely filling up of top vacancies has been expedited and incentive schemes linked to productivity improvements have been initiated.

A high-level committee on monitoring the execution and expeditious completion of major projects is reviewing on a continual basis the progress of important projects under implementation.

AKALI DAL PRESIDENT GIVES POSITION ON PUNJAB

New Delhi PATRIOT in English 22 Aug 83 pp 1, 2

[Text]

AMRITSAR, Aug 21—Akali Dal president Sant Harchand Singh Longowal has said that the stalemate in talks to resolve the Punjab issue "has been created by the Government which is refusing to abide by any principle".

Replying to our questionnaire on the Punjab situation, he said the stalemate "can be broken if the cases in disputes are decided on merit and not on the basis of political expediency".

The following are his replies to the questionnaire:

Q: What are your views on the Akali demands with special reference to (a) distribution of Ravi-Beas waters, (b) Chandigarh, (c) Abohar and Fazilka, (d) All-India Gurdwara Act, and (e) the Anandpur Sahib resolution?

A: For a correct appreciation of what are euphemistically called 'Akali' demands, but which, in fact, are the demands of all the Sikhs and even those of the non-Sikhs who hold the cause of Punjab and the country at large dear to their heart, the historical perspective of the Indian scene has to be borne in mind. As implied in Jawaharlal Nehru's concept of 'unity-in-diversity', India is a multi-lin-

gual, multi-religious and multinational State. Besides, its emergence as a nation in the modern sense is of very recent origin and, as such, it has very tender roots. Hence, political sagacity of the highest order is needed to weld all the diverse elements into a cohesive and homogeneous whole. Any attempt to hasten the process by force or by farce is bound to prove counter-productive.

It is in recognition of this fact that the more enlightened of the Indian leaders had envisaged a federal political structure for the country in which the regional interests could enjoy full facilities for flourishing according to their own socio-religious and cultural traditions. Categorical assurances, written as well as verbal, were given to the minorities, including the Sikhs, by all the eminent Indian national leaders before 1947 to the effect that in free India their special interests would be fully taken care of while framing the Indian Constitution.

However, most unfortunately, those solemn assurances were not only not honoured but, what is worse, at the time of framing of the Constitution, the Centre was so heavily loaded with powers that the regional interests and minorities had genuine forebodings that they would be stifled to death. It is precisely for these very reasons that on the day of the enforcement of the new Constitution on 26 January 1950, Mr Jayaprakash Nara-

yan had remarked: "The Constitution that comes into force today and brings the republic into being is in itself a source of greater danger to both individual freedom and social justice. Therefore, at the earliest opportunity, a new representative Constituent Assembly must be convened to frame a new Constitution that may become a fit instrument for social democracy".

Worse still, during the last about three decades, through repeated amendments and extra-constitutional measures, the Centre has armed itself with such formidable powers at the cost of the State that the States have been reduced to a status worse than that of local bodies even.

The Anandpur Sahib resolution of the Akali Dal, broadly speaking, seeks to put a halt to this pernicious process by vesting the States with meaningful powers which would enable them to work for the socio-economic welfare of their people who, in turn, would feel a sense of involvement in the national life and a pride in their own heritage.

The problems of (a) distribution of Ravi-Beas waters (b) Chandigarh (c) Abohar and Fazilka etc are the handiwork of the highly dictatorial and discriminatory attitude of the Centre towards Punjab in general, and the Sikhs in particular.

As far as, the river water dispute is concerned, it is a universally accepted principle at the

The series of interviews with political leaders on the situation in Punjab concludes with Akali Dal president Sant Harchand Singh Longowal's replies to our questionnaire.

international as well as national levels, that only a riparian state has the right to use the waters of its rivers and their energy. As such, the dispute, if any, can only be between co-riparian states. This principle has been accepted by Mr N D Gulati of the Indus Water Commission, in his report made in 1955. Moreover, this fact has also to be borne in mind that vide entry 17 of list II of the seventh schedule of the Indian Constitution, rivers and river waters are State subjects. Parliament comes into the picture only in the event of inter-State rivers and disputes over their water distribution. Now, Haryana, Rajasthan and Delhi have neither a common basin with Punjab nor is any of them co-riparian with it. As such, on the basis of international or even nationally accepted laws, none of these States can lay a claim to any share in the Punjab rivers water.

To go into the historical origin of this fact, let me point out that at the time of partition in 1947, out of 170 MAF of water of old Punjab, East Punjab got only 32 MAF (of Sutlej, Beas and Ravi) plus 5.58 MAF of the Jamuna water.

Now, a series of highly discriminatory and arbitrary decisions, the Central Government, notwithstanding the actual needs of Punjab or any principles, has been consistently conspiring to rob the State of Punjab of its own river waters. The broad outlines of this conspiracy are as under:

1. The first Central decision related to the Sutlej. Under the Bhakra scheme about 25 lakh acres have to be irrigated in the non-riparian areas of Haryana (18 lakhs) and Rajasthan (9 lakhs) and only about 11 lakhs acres in the riparian Punjab. This scheme proposes to utilise all the available waters of the river Sutlej. This was the first step for diverting over two thirds of the water and energy of the Sutlej to the non-riparian States which have no right to the waters of the Punjab rivers.

2. The second encroachment on Punjab waters was made in 1955, when Mr Gulzari Lal Nanda known for his bias against Pun-

jab and particularly the Sikhs, allotted 8 MAF out of a total of 15.2 MAF to Rajasthan from the Ravi and Beas, notwithstanding the fact that on riparian principle Rajasthan is not entitled even to a drop of these waters.

3. The third stroke on the neck of Punjab fell in 1976 when 3.50 MAF more of these rivers were arbitrarily allotted to Haryana and 0.20 MAF to Delhi, leaving Punjab with a bare 3.50 MAF.

The enormity of injustice involved in these decisions may be judged from the fact that not a drop of 5.58 MAF of Jamuna water has been given to Punjab.

Thus, according to the Prime Minister's 1976 award, Punjab which is primarily an agricultural State, got only 23 per cent of the water of its own rivers, the Ravi and Beas while 75 per cent of the waters and energy of these rivers was given to the non-riparian States of Rajasthan, Haryana and Delhi. As this unfair decision was the climax of the continuous draining out of the water and energy potential of Punjab it evoked a strong protest and reaction in the State, specially in the rural Punjab and among the Sikhs, who are predominantly farmers.

When the Akalis came into power in 1978, the Punjab Government filed a case in the Supreme Court for the annulment of the Prime Minister's award on grounds of its being patently illegal and grossly unjust. But, in December 1981, the Central Government in order to obviate the Supreme Court's decision to the award, got an agreement, modifying the award, made by the Congress Chief Ministers of Rajasthan, Haryana and the Punjab. Accordingly, the Congress Government of Punjab was pressurised to withdraw the case filed by its predecessor, the Akali Government, in the Supreme Court. This agreement under Section 78 is a virtual endorsement of the Prime Minister's award challenged in the Supreme Court, except that by a statistical jugglery, while the

share of Haryana was maintained that of Rajasthan and Punjab was apparently raised, of the latter from 23 per cent to 24 per cent.

The manner of haste in which this agreement was secured, especially when the entire issue, including the competence of the Central Government to deal with the matter, was pending in the Supreme Court, and when prolonged parleys in this regard were going on with the Akalis, is very intriguing, raising, thereby many well-based suspicions in the minds of the Sikhs in particular, and the Punjabis in general, about the legality and justness of the agreements.

The issues of Chandigarh and Abohar and Fazilka are similarly the ugly accretions of a bias against Punjab and its Sikhs. To understand the issue of Chandigarh in its true perspective, it has to be remembered that it was raised on the lands of the Punjabi farmers as a capital of East Punjab. Even then, at the time of the creation of Punjabi Suba it was made a bone of contention by making it a Union Territory. When ultimately, Mrs. Indira Gandhi had to bow to the mounting public pressure on the issue, she unnecessarily linked it with already settled issue of Fazilka and Abohar.

It must be remembered that no part of Abohar or Fazilka touches the borders of Haryana anywhere and yet, its inclusion in that State is being insisted upon in exchange for Chandigarh. Any principle or merit of the case is not the consideration. What are being kept in view are political and party interests. Fortunately, however, every opposition party has seen the justness of the Sikhs demand in this case, and have extended their support.

An All India Gurdwara Act is essential for maintenance of the holy Sikh shrines according to Sikh tenets and traditions and to stop governmental interference in religious affairs of the Sikhs.

Q: Should the police enter gurdwaras to apprehend criminals? How can criminals be

prevented from taking shelter in gurdwaras and other religious places?

A: The question is highly presumptuous inasmuch as it presumes that holy gurdwaras are providing shelter to the criminals. The Shiromani Akali Dal has vehemently denied this charge and the representatives of most of the major political parties of the opposition have seen for themselves the fallacy of this baseless charge. Such charges are being made with a motive to malign the Sikhs and discredit their demands.

Q: Now that a stalemate has been reached, what steps in your opinion the Government should take to break the dead lock?

A: The stalemate in talks has been created by the Government which is refusing to abide by any principle. It can be

broken if the cases in dispute are decided on merit and not on the basis of political expediency. The Shiromani Akali Dal has established its bonafides in the tripartite talks. The opposition parties which are convinced about the justness of our cause must exercise pressure on the Congress Government to shed its intransigence in the larger interests of the country. The river water disputes may be referred to the Supreme Court. While after immediate transfer of Chandigarh to Punjab, the case of disputed areas may be referred to a commission of linguistic experts.

Q: What steps should be taken to fight extremist and terrorist elements?

A: The acceptance of the just demands of Punjab would take the wind out of the so-called extremists. It is injustice

which always breeds extremism. Moreover, their activities are being unduly inflated out of all proportion to reality.

Q: In what way you and your party will like to contribute to a solution of the Punjab problem?

A: The Shiromani Akali Dal has always subscribed to the principles of justice, equity and communal amity. It is prepared to accept the decisions of the highest court of justice on any of the major disputed issues.

Q: The rise of Sikh extremist elements and the slogan of Khalistan have drawn the attention towards the danger of religious fundamentalism. What short-term and long-term measures should be taken by the Government, the people and the political parties to effectively curb this danger?

[Editor's Note]

New Delhi PATRIOT in English 23 August 1983 p 9 publishes the following clarification to the above article: "In a report appearing in PATRIOT yesterday, Akali Dal president Sant Narchand Singh Longowal's reply to the last question of our questionnaire was dropped inadvertently. The error is regretted.

The following is the last question and sant's reply to it.

Q. The rise of Sikh extremist elements and the slogan of Khalistan have drawn the attention towards the danger of religious fundamentalism. What short-term and long-term measures should be taken by the Government, the people and the political parties to curb this danger?

A: The rise of religious fundamentalism, if any, is the result of the drift from the principles of justice and equity and communal amity by the majority. For lasting peace in the land, any attempt to overwhelm or browbeat the minorities must be abandoned. They must be accepted on terms of equality and their problems must be solved in a spirit of goodwill and amity."

CSO: 4600/1572

REPORT ON CPI-M LEADER'S 19 AUGUST PRESS CONFERENCE

Calcutta THE STATESMAN in English 20 Aug 83 pp 1, 9

[Text] BANGALORE, Aug. 19.--Mr E. M. S. Namboodiripad today ruled out the CPI(M) joining the national democratic alliance formed by the DJP and the Lok Dal but at the same time kept the door open by saying "don't jump to the conclusion that we will fight the alliance as much as we are fighting the Congress (I)".

Asked to spell out his party's attitude towards the alliance, Mr Namboodiripad said at a Press conference that it depended on how the alliance shaped. He pointed out that despite opposition to the BJP on some questions, his party was cooperating with it.

"It is not as if there is an all-out opposition to the DJP or all-out support for it. It is based on a clear programmatic and political outlook. It is part of the game," he said.

The Marxist leader said that efforts were being made to achieve two aims in the country today. One was by the Congress (I) to see that the Opposition parties as a whole kept divided. "Mrs Gandhi knows that if the Opposition parties unite, she will be in a bad way," he said.

The second aim, for which efforts were being made, was to "knock together a combination of non-Leftist parties". This, in his view, would help to make it easier for the Congress (I) win a majority of the seats in the Lok Sabha elections due in less than 18 months, if not earlier, by preventing the evolution of an alternative set of popular socio-economic and political policies to the "anti-people policies pursued by the Congress (I)".

When Mr Namboodiripad could not say whether the Janata Party would join the alliance, he stated that efforts were being made towards that end. This was clear from the statements made by the initiators of the alliance.

Asked about the CPI(M) delegation, which included him, visiting China recently and the controversy over the joint statement issued by the Chinese Communist Party and the CPI(M), he said it was "wrong to say, as had been said, that the CPI(M) and the CPI were falling apart. "Even after the present

controversy started, we have met on a number of occasions and have worked out plans for joint action," he said.

Although Mr. Nanboudiripad said his party had some reservations about several measures adopted by the seven-month-old Janata Government in Karnataka, he welcomed the initiative taken by the Chief Minister, Mr. Ramakrishna Hegde, to hold a conference of Chief Ministers of southern States and a seminar on Centre-State relations in Bangalore. This had helped mobilization of public opinion on some burning issues.

The Marxist leader pointed out that irrespective of the nature of Governments, there was "legitimate discontentment" among the states and this was evident from the memoranda submitted to the Finance Commission by among others, West Bengal, Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu.

While welcoming the Government's stand on the recent happenings in Sri Lanka, Mr. Nanboudiripad said it was a warning to India which had a much more complicated problem because of the existence of a large number of castes, tribes and linguistic communities. Pointing out that relations among these groups was no better than that of the Sinhalese and the Tamils in Sri Lanka, he warned that any discord among them could develop into a "holocaust" as was the case in the large number of caste conflicts, communal riots and continuing crisis in Assam and Punjab.

Mr. Nanboudiripad accused "imperialist powers, headed by the USA, of using every one of the problems facing the country to strengthen various divisive movement through which they hoped to backbite India". The sovereignty and independence of India, he pointed out, had been never so much under threat as now.

CSO: 4600/1565

NAMBOODIRIPAD RELEASES CPI-M PROPOSALS TO PRESS

Calcutta THE STATESMAN in English 24 Aug 83 pp 1, 7

[Text] NEW DELHI, Aug. 23--The CPI (M) has called for urgent measures for removing the growing rift between the Centre and the States.

The party has put forward a number of proposals aimed at fostering health Centre-State relations including amendments to or deletion of Articles of the Constitution.

The conclusion of the proposals is that the States should have more autonomy.

A lengthy note containing the proposals on the issue was released to the Press by the CPI(M) general secretary, Mr. E. M. S. Namboodiripad, here today.

Deletions Sought

The CPI(M) has asked for the deletion of Articles 200 and 201, which empower the Governor to withhold Bills passed by the State Legislature for President's assent.

The party leadership has also suggested deletion of Articles 356 and 357, which enable the President to dissolve a State Government or its Assembly, or both. In case of a constitutional breakdown in a State, provision should be made to hold elections and instal a new Government.

Similarly, Article 360, which empowers the President to interfere in a State's administration on the ground of a threat to financial stability or credit of India, should be deleted.

Residual Powers

In order to preserve the autonomy of the States, the CPI(M) proposed an amendment to Article 248 to bestow exclusive powers on the Legislature of a State to pass any law with respect to any matter not enumerated in the Union or Concurrent List. In other words, the residual powers of the Federation should lie with the States, and not with the Centre.

Similarly, Article 249, giving powers to the Centre to legislate on a subject in the State List under the excuse of national interests, should be done away with.

While enlarging the scope of the States' sphere, it is necessary to preserve and strengthen the Union's authority in subjects that could be carried out only by the Central authority and not by any single State, such as defence, foreign affairs, including foreign trade, currency and communication and economic coordination.

In areas such as planning, fixing of prices and wages, the Centre may not only coordinate but also issue general direction.

In the matter of planning and economic coordination, however, the Centre will have to conform to the general guidelines laid down by the National Development Council, in which the States will have representation, along with the Centre. At the moment, neither the council nor the Planning Commission is specifically referred to in the Constitution.

This lacuna may be closed by introducing a separate Article, which should also state clearly that the composition of the Planning Commission will be determined by the National Development Council. Since loans and grants for development purposes are now the prerogative of the Planning Commission, it is, thus, important that the States have some say in the manner of operation of the commission.

Heavy industries and power or irrigation schemes which concern more than one State have to be kept in the Union List to ensure a common policy. As regards industrial licensing, major modifications in the allocation of powers between the Centre and the States are called for. The list in the Seventh Schedule should be reformulated to give the States exclusive powers in respect to certain categories of industries.

The right of the Central Reserve Police or other police forces the Union Government may raise to operate in the States should be withdrawn. The subject of law and order and the police should be fully in the States' sphere and the Centre should not interfere with its own specially created forces.

Articles regarding the Finance Commission and distribution of revenues should be amended to provide for 75% of the total revenues raised by the Centre from all sources for allocation to different States by the Finance Commission. This is necessary to end the mediant status of the States. In what proportion and in what principle this 75% of the total realization should be divided between the States should be decided by the Finance Commission.

Finance Commission

The Finance Commission's task should be only to keep the proportion that each State should get from the total financial realization by the Centre, 75% of which is to be allotted to the States.

Article 280, Clause 3, Sub-Clause (A), which provides for "the distribution between the Union and the States of the net proceeds of the taxes which are to or may be divided between the Union and States" should be omitted and the entire clause redrafted to make it clear that it is the duty of the commission to make recommendations to the President as to the allocation between the States of their respective share of the proceeds.

The States must also be accorded more powers for imposing taxes on their own, and to determine the limit of public borrowing in their respective cases. To achieve these objectives, the Seventh Schedule enumerating Union, States and Concurrent Lists should be suitably amended.

Language Policy

On the question of languages of the people in the country, the CPI(M) is of the view that in the course of the growing economic, social and intellectual intercourse, the people of different States of India will develop in practice the language of inter-communication most suitable to their needs.

This natural process will be hindered rather than helped if Hindi, the language of the largest linguistic group in the country, is sought to be imposed on the other people.

While the CPI(M) is all for encouraging the learning of Hindi by non-Hindi speaking people, it feels that the equality of all Indian languages in Parliament and Central Administration should be recognized. Similarly, all Acts, Government orders and resolutions of the Centre should be made available in all Indian languages.

The use of English in the field of administration, legislation, judiciary and law, and the medium of instruction in education should be discarded, replacing it with the people's language of the State concerned, right of the people to receive instruction in their mother-tongue in educational institutions as well as its use as the medium of education in the State up to the highest standard should be recognized. The Urdu language and its script should be protected. The English Schedule should be amended to include languages like ~~regional~~.

Electoral System

The present electoral system should be replaced by the system of proportional representation and provide for right to recall.

The present special status of Kashmir within the Indian Union should be retained.

To have the principle of equality of the federating units and to further protect States' autonomy, election of the Rajya Sabha should, like the Lok Sabha, be directly by the people. All States must have equal number of representatives in the Rajya Sabha and both Houses must have equal powers.

The Union services should be under the disciplinary control of the Union Government and those of the States services under the discipline of the respective State Governments. The Central Government should have no jurisdiction over the personnel of the State services.

PARLIAMENT DISCUSSES MIDTERM APPRAISAL OF PLAN

Appraisal Summarized

Bombay THE TIMES OF INDIA in English 20 Aug 83 pp 1, 9

[Text] NEW DELHI, August 19. The mid-term appraisal of the sixth five-year plan, tabled in Parliament today, calls for "some concentration of investments" in the infrastructure and a few other sensitive areas.

It also highlights the need for economy in the government's consumption and expenditure. These steps are essential for achieving plan targets in physical terms and to establish "a firm basis" for the seventh plan.

According to the assessment, the plan targets will be fulfilled in a number of areas, but special efforts will be needed to improve the performance in some other areas, notably in the infrastructural sector.

Noting that the remarkable recovery in the economy was achieved in 1980-81 because of improvement in all the major infrastructural sectors which had stagnated in the years immediately preceding the sixth plan, the mid-term appraisal points to the disturbing fact of considerable lowering of the growth rate in 1982-83.

As against a growth rate in GNP of 7.9 per cent in 1980-81, in 1982-83 it was a meagre two per cent. The industrial growth rate, which was 6.5 per cent in 1980-81 and 8.6 per cent in 1981-82, fell to about 3.5 per cent in 1982-83.

But despite this sizable decline in 1982-83, the average growth rate of the economy in the first three years of the plan, it has observed, works out to five per cent. This is considered significant in light of decelerating factors, including the recession in the world market, prevailing during this period.

It has been claimed that official efforts to contain inflationary pressures helped to a large extent. The rate of inflation was reduced, as measured by the movement in the wholesale price index, from a very high rate of nearly 18 to 20 per cent in 1980-81 to around two per cent in 1982-83.

On the resources front, it states that additional resources mobilisation both by the Centre and the states in the first four years of the plan is likely to exceed the targets for the whole of the sixth plan. This represents a substantial effort in this regard by the public sector.

As against the additional resources mobilisation target of Rs. 21,302 crores for the period 1980-83, actual mobilisation during 1980-84 is now estimated at Rs. 21,916 crores.

In overall availability of resources for the plan, however, there has been a heavy deficit in the states, principally because the state electricity boards and state road transport corporations have not achieved their targets of showing profits.

Increases in current expenditure on the services sector, partly because of DA and wage increases, have also cut into the resources available for developmental outlays, both at the Centre and in the states. The mobilisation of additional external borrowings has been close to the targets.

Value Eroded

In the first four years of the plan, the total actual or approved outlays came to 83 per cent (Rs. 79,880 crores) of the public sector plan outlay of Rs. 97,500 crores.

However, inflation, particularly in the costs of capital goods, especially imported capital goods, has eroded the real value of plan investments. At 1979-80 prices, this represents 62 per cent of the plan outlay.

For 1983-84, it has now been decided to raise the Centre's annual plan investment by Rs. 200 crores directed mostly towards the core sectors.

Specifically, as against the 1984-85 foodgrains production target of 149 to 154 million tonnes projected in the plan, the achievement may be nearer the lower end of the range, i.e. at 146 to 148 million tonnes.

Cane and sugarcane production is likely to be short of the plan projections, but other crops like jute and mesta, cotton, the five major oilseeds, tea and coffee, will generally reach the sixth plan targets. Production of sugar and vanaspathi is likely to equal or exceed the targets.

However, shortfalls in production against plan targets are likely in the case of steel ingots and saleable steel, non-ferrous metals (aluminium, blister copper and zinc), caustic soda, soda ash and sulphuric acid, PVC, mill sector cloth, power cables and electrical transformers, and in the electronics sector.

Production of synthetic rubber, caprolactam, cement, hydro and thermal turbines, and agricultural tractors is likely to equal or come near the plan targets. Production of nitrogenous and phosphatic fertilisers is likely to be slightly short of the targets while production of iron ore concentrate is likely to fall appreciably short of the target.

Production of crude oil and petroleum products will be substantially in excess of the original plan target.

Additional electricity generating capacity installed over the plan period will be 14,000-14,500 MW, which is substantially lower than the target of 19,666 MW.

Coal production is expected to be 144 million tonnes, against the projected 165 million tonnes. Lignite production will reach the plan target but railway originating traffic, which is a derived demand, is likely to be only 220-285 million tonnes as against the original target of 309 million tonnes.

In the aggregate, public sector investment over the first three years of the plan has exceeded the plan target. Along with this, the real GDP growth per annum over the three years equals the plan target rate.

Despite an erosion in the nominal investment by cost escalation, the plan objective of a significant step-up in the rate of growth in investment will have to be pursued with greater determination.

Investment in sectors sensitive to real investment shortfalls, and which have strong linkages throughout the economy, namely, irrigation (and agriculture in general), power, coal, railways and some segments of industry, have to be protected against such shortfalls to the maximum extent possible.

According to the review it is necessary to improve the efficiency of utilisation of the investment in infrastructure and in productive equipment. It is also essential that public enterprises function efficiently so as to maximise surpluses.

Improvement in resources and the lowering of the capital-output ratio that would thus result would ensure more efficient implementation of the plan.

Export drive

In view of the adverse balance payments, the mid-term review has underlined the need for intensifying the export effort as a part of the drive to achieve self-reliance and to manage the foreseeable strains in the balance of payments position in the seventh plan.

This will require a co-ordinated set of policies and measures in a number of areas, further strengthening of the trade policy framework to improve management of the economy and ensure relative price stability and avoidance of infructural bottlenecks or shortages of basic intermediates.

The assessment of the balance of payments outlook at this stage reveals that the pressures emerging in the wake of the second oil shock in 1979-80 have been contained. Also, there is little likelihood of serious foreign exchange constraints during the rest of the plan period.

While the Indian economy will have to cope with strains on the balance of payments during the second half of this decade, these can be overcome by initiating timely corrective actioning.

Fresh Measures Asked

New Delhi PATRIOT in English 25 Aug 83 p 5

[Text]

The Planning Commission has urged the States to undertake fresh measures to mobilise additional resources for their plans for 1983-84 and fulfil the agreed target of Rs 830 crores, reports UNI.

The commission, in its annual Plan document for the current financial year tabled in the Lok Sabha on Wednesday, has warned that otherwise they would be faced with shortage of funds for implementing their development programmes and also run into overdrafts with the Reserve Bank.

The document says that for 1983-84 the States had agreed to an additional resource mobilisation target of Rs 830 crores from fresh measures. But the yield from measures announced in the State budgets so far "is estimated to be substantially lower than the agreed target."

While not setting out the rate of growth for the current year, the penultimate year of the Sixth Plan, the document lists various steps taken by the Government to step up the growth rate which had sagged to a mere two per cent in 1982-83 as a result of drought and other factors.

The sixth Plan (1980-85) visualised an annual growth of 6.2 per cent. The growth rate in 1980-81, 1981-82 and 1982-83 was 7.9 per cent, 5.2 per cent and two per cent respectively. The average growth rate in these three years was five per cent, according to the commission.

The current year's Plan outlay of Rs 23480 crores, represents a step up of 21.72 per cent over the approved outlay of Rs 20,034 crores in 1982-83.

Of this, the budgeted outlay for the Central sector is Rs 13,870.17 crores against Rs 11,000 crores in 1982-83.

For the States and Union Territories, the 1983-84 outlay is Rs 11,610.15 crores against Rs 9,933.65 crores in the previous year.

In view of the crucial importance of energy and the need to reduce further the dependence on imported oil, the outlay for this sector has been stepped up by 24.2 per cent on top of an increase of nearly 40 per cent in 1982-83, says the document.

The provisions for transport and irrigation, including flood control, have been stepped up by 20 per cent and 11.8 per cent respectively.

The three sectors of irrigation, energy and transport account for 54.2 per cent of the total public sector outlay for 1983-84.

The document places 'maximum emphasis on speedy completion' of the projects in advanced stages of implementation so that they start yielding returns as quickly as possible.

The break-up of the current year's outlay with the figures for 1982-83 in brackets in crores of rupees. Agriculture 1397.62 (1248.73), Rural Development 1278.73 (1234.42), Special Area Programmes, including those for hill, tribal and backward areas, 362.50 (320.64), Irrigation and Flood Control 2464.17 (2144.01), Energy 8323.36 (6737.00) Industry and Minerals 3492.51 (3021.51), Transport 3033.57 (2727.96) Communications, Information and Broadcasting 704.49 (607.87) Science and Technology 238.71 (215.89), Social Services 3682.10 (2863.21) others 502.56 (517.36).

The Plan outlay for various States in crores of rupees are: Assam 291, Himachal Pradesh 140, Jammu and Kashmir 185, Manipur 52.80, Meghalaya 56.32, Nagaland 56.32, Sikkim 30.50, Tripura 58, Andhra Pradesh 828, Bihar 681, Haryana 407, Karnataka 575, Kerala 320, Madhya Pradesh 855, Maharashtra 1500, Orissa 345, Punjab 440, Rajasthan 401, Tamilnadu 845, Uttar Pradesh 1290, and West Bengal 540.

The Plan sets a target of 142 million tonnes of foodgrains for

the year against an anticipated achievement of 126.8 million tonnes in 1982-83.

For oilseeds a target of 12.5 million tonnes has been fixed against 10.80 million tonnes in the previous year. The sugarcane production target is 180-185 million tonnes, for cotton 8.2 to 8.5 million bales.

The investment climate continues to be favourable mainly due to timely supply of infra-structural inputs and a number of measures, including liberalisation of credit policy taken by the Government.

Production targets envisaged for some of the important industries along with anticipated achievements in 1982-83 in brackets are: Coal 142 million tonnes (136.6), crude oil 26.25 m tonnes (21.06), saleable steel 9.59 m tonnes (9.09), cement 28 m tonnes (23.5), fertilisers 4.9 m tonnes (4.3), petroleum products 32.01 m tonnes (30.83), paper and paper board 1.4 m tonnes (1.2), newsprint 180,000 tonnes (121,000), sugar 7.2 m tonnes (8), commercial vehicles 85,000 (80,000) and vanaspathi 0.90-0.95 m tonnes (0.87).

The document says that the pressure on balance of payment would continue during 1983-84.

Since credit from the International Monetary Fund would be available only up to 1984-85.

The document stresses that besides appropriate changes in trade policy, a coordinated set of measures would be required to bring about sustained improvement in the balance of payment situation. Emphasis has been laid on vigorous resource mobilisation and major effort to step up the pace of growth of exports.

Claiming that pressure on prices had been kept under control in 1982-83 despite an unfavourable monsoon, the Commission underscores the need for close vigilance on the price situation.

20-POINT PLAN

An outlay of Rs 10,089 crores is estimated to be available in the current year for the 20-point programme to provide better living conditions for the less privileged sections.

The Plan document has announced a scheme for grant of awards to States for excellence in performance of the programme.

It was also announced that an expert group will be set up to ensure better publicity arrangements for the implementation of the programme.

DELHI WELCOMES RESULTS OF MAURITIUS ELECTIONS

Madras THE HINDU in English 24 Aug 83 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, Aug 23

The impressive victory of the pro-Indian coalition in the Mauritian elections has been greeted both with a sigh of relief and a sense of satisfaction in Delhi, since a defeat of the three-party alliance would have set in motion an irreversible process of polarisation in the power politics of the Indian Ocean region.

After the recent upsurge of anti-Indian feeling in Sri Lanka, a setback in Mauritius would have spelt a near-disaster for India's prestige in this strategically vital area, where the two super-powers have been competing in every possible manner to extend their influence.

Though small in size and scattered wide apart in this vast region, the four Indian Ocean States of Sri Lanka, Mauritius, Seychelles and Maldives have become politically and strategically important because of the mounting rivalries of the big powers to dominate them and the efforts of the non-aligned community to keep them insulated from adverse pressures. It would have been quite detrimental to India's interests if an avowedly pro-Western or a militantly radical party or coalition had won the Mauritian elections, abruptly altering the checks and balances in the Indian Ocean.

Vulnerable

As a sizeable country with a population of 15 million, Sri Lanka need not be too dependent on any outside power if it chooses to retain its freedom of action. But Mauritius, with hardly one million people and located far away in the southern part of the Indian Ocean, is considerably more vulnerable to big power influence. The other two Indian Ocean States of Seychelles and Maldives are even more exposed to foreign pressures despite their isolation.

A unique feature of Mauritius, from India's point of view, is that it is the only country, big or small, outside the Indian sub-continent where people of Indian origin are in a majority and have also been in power since the island's independence. The emergence of an unfriendly, if not openly hostile, political combination led by a Franco-Mauritian like Mr. Paul Berenger, who has no emotional links with India like the

leaders of the other parties on the island, would have led to a rapid diminution of Indian influence there.

Though he has lost the elections, the last will not be heard of Mr. Berenger for a long time since he has still plenty of fight left in him. He has strong political links with the communists on the French-ruled Reunion Island adjoining Mauritius, the left-leaning ruling party in Seychelles and the pro-Moscow regime in Madagascar, besides the continued patronage of the powerful Franco-Mauritian whites, a section of the native Creoles and even workers of Indian origin in Mauritius, including Muslims.

The person who master-minded the victory of the three-party alliance is none other than the grand old man of Mauritius, Sir Seewoosagur Ramgoolam, the staunchly pro-Indian patriarch of the island's one million people. The powers that be in Delhi committed the fatal mistake of allowing the impression to prevail during last year's elections that he had lost Mrs. Indira Gandhi's confidence, for whatever reason.

The divided Indian community, which was hitherto kept united by his powerful personality, drifted away from him, fearing that he had lost his last hope of survival in the wake of the militant wave sweeping the island last year. The present Prime Minister, Mr. Aneerood Jugnaum and the Socialist Party leader, Mr. Harish Boodhoo, who had broken away from Sir Seewoosagur's Labour Party, lined up with Mr. Berenger, who master-minded the landslide victory last year.

But now, in a game of reverse roles, they joined Sir Seewoosagur, who also roped in the enfant terrible of the Creole community, Mr. Gaetan Duval, to rout Mr. Berenger and make him bite the dust in these bitterly fought elections. The coalition spearheaded by this extraordinarily skilful and politically gifted Franco-Mauritian, which swept the poll inflicting a staggering defeat on the Labour Party by capturing almost all the seats last year, disintegrated and fell apart in a few months like the Janata Party in India after the 1977 elections.

The outcome of the Mauritius elections has its own sobering lessons for those in power

in India. In the sense that they have learnt the hard way that a friendly little country with an Indian majority population that is independent and sovereign in every respect, cannot be treated like an Indian State and subjected to the whims and fancies of India's domestic political considerations. As a staunch ally and proven friend of India, Sir Seewoosagur was certainly entitled to better understanding and sympathy during last year's elections.

It is, however, not too late to shed these patronising attitudes and re-establish a warm and mutually beneficial relationship with the man who is the guiding spirit behind the new coalition government and who will be the President of Mauritius when it declares itself a republic. It would not be in India's own interest to exert pressures on this exposed and vulnerable island to adopt attitudes and resort to actions over Diego Garcia or South Africa which India itself is not prepared to do beyond a point.

Mrs. Gandhi's message

The Prime Minister, Mrs. Indira Gandhi, today sent a message of hearty congratulations to the Prime Minister of Mauritius, Mr. Aneerood Jugnauth, on the victory of the three-party alliance. The message, which was exceptionally warm, wished Mr. Jugnauth and his colleagues well in consolidating their victory and working together for the welfare of the Mauritian people.

She said this victory gave India and Mauritius an opportunity to strengthen their close relations.

CSO: 4600/1575

REPORTAGE ON INTRODUCTION OF NEW ELECTRONICS POLICY

Announcement in Parliament

Lombay THE TIMES OF INDIA in English 19 Aug 83 p 6

[Text]

NEW DELHI, August 18 (PTI): A package of measures, including rationalised licensing policies and reduction in input cost to the industry through a rationalised duty structure, to facilitate the growth of electronics, was announced by the deputy electronics minister, Dr. M. S. Sanjeevi Rao, in Parliament today.

In the colour television policy, restrictions based on sectoral considerations have been discarded. The large scale, small scale, private sector and the public sector could all co-exist. This would encourage rapid production of electronic items, the minister said in identical statements in both the houses.

Investment by government units in critical and strategic areas such as silicon, microwave tubes, large scale and very large scale integrated circuits and R and D for electronic switching systems also form part of the package.

COLOUR TV SETS

There shall be no upper limit on capacities in the production of colour television sets. This would permit large-scale production, so as to secure the benefits of economy and also to

provide a high quality product at an economical price, together with servicing and support facilities, Dr. Rao said.

To ensure good quality, agencies of the department of electronics would test consumer and professional electronic items. This would ensure large scale production with maximum participation by all sectors of the industry. At present, this facility covers TV sets only, he said.

The rationalisation of fiscal policy has been designed to provide raw materials and manufacturing equipment at the lowest cost. The components industry would benefit immensely from these measures.

The minister said a new package of customs and excise duties and depreciation rates had been worked out. This would significantly reduce the duty rates in keeping with the rationalised structure.

Dr. Rao said a proposal had been evolved to develop and productionise an advanced design of electronic switching systems (ESS). This is expected to be the base for future production. The project aims development and prototype of this ESS within three years.

Duty on Imports Reduced

Madras THE HINDU in English 20 Aug 83 p 1

[Text] NEW DELHI, Aug. 19. Customs and Excise duty reductions, amounting to about Rs. 98 crores on electronic items in a full year, were announced here today by the Union Finance Ministry. Of this, Customs duty reliefs will come to Rs. 87 crores and the remaining Rs. 11 crores will be the revenue sacrifice from the Excise duty concessions.

These concessions are intended to boost the development of the electronics industry.

The announcement of these concessions comes in the wake of the statement made in Parliament yesterday by Dr. M. S. Sanjeevi Rao, Union Deputy Minister for Electronics, that the Finance Ministry would notify the duty reductions.

The details of the concessions for the electronics industry are:

Customs duty reliefs

Specified inputs have been given complete exemption from basic Customs duty and countervailing duty.

Specified inputs get exemption from basic Customs duty in excess of 15 per cent ad valorem and complete exemption from countervailing duty.

Specified inputs get exemption from basic customs duty in excess of 40 per cent ad valorem and complete exemption from countervailing duty.

Specified components get exemption from basic customs duty in excess of 50 per cent ad valorem and complete exemption from the countervailing duty.

Sub-assembly imports

Sub-assemblies imported for manufacture of electronic equipment get exemption from basic customs duty in excess of 65 per cent ad valorem and complete exemption from countervailing duty.

Project imports get exemption from basic Customs duty in excess of 25 per cent ad valorem.

Concessional rate of basic Customs duty for components imported for the manufacture of medical electronic equipment has also been given effect to.

Computers get complete exemption from countervailing duty.

Specified computer peripherals get exemption from basic Customs duty in excess of 50 per cent ad valorem and complete exemption from countervailing duty.

Rates of basic customs duty on specified capital items for the electronics industry and on oil-extended styrene butadiene rubber have been modified. The revenue implications of the change in respect to oil-extended synthetic rubber will be negligible.

Complete exemption has been given from auxiliary Customs duty for project imports and specified inputs for the electronics industry.

Fixation of auxiliary duty on components of medical electronic equipment and rescinding of certain notifications relating to electronic items and oil extended to synthetic rubber have also been given effect to.

Excise duty reliefs

The basic excise duty on musical items commercially known as stereo or hi-fi systems has been reduced from 40 per cent to 20 per cent ad valorem. The basic Excise duty on gramophones, record players, record-playing decks or record-changer decks has been reduced from 25 per cent ad valorem to 20 per cent ad valorem.

The basic excise duty on sound-recorded cassette tapes has gone down from 25 per cent ad valorem to 15 per cent ad valorem.

Notifications have also been issued amending existing provisions as a result of which:

(i) The basic excise duty on radio sets of three bands or more shall be reduced to 20 per cent ad valorem as against the existing rates varying from 25 per cent ad valorem to 40 per cent ad valorem.

(ii) The basic Excise duty rates on tape recorders (including cassette recorders and tape decks), tape players (including cassette players) and combination sets of any of these articles and transistor sets shall be reduced to 20 per cent ad valorem as against the existing rates varying from 25 per cent ad valorem to 40 per cent ad valorem.

(iii) The basic Excise duty on black and white TV sets of screen size not exceeding 36 cm shall be reduced exceeding 36 cm but to five per cent ad valorem. Black-and-white TV sets of screen size not exceeding 51 cm, and colour TV sets of screen size not exceeding 51 cm, shall be levied basic excise duty at the rate of 15 per cent ad valorem. Other TV sets of screen size exceeding 51 cm shall be charged the tariff rate of basic duty equal to 30 per cent ad valorem.

Computers

(iv) The basic duty on computers (including central processing units and peripheral devices) shall be reduced to 15 per cent ad valorem as against the existing rate of 20 per cent ad valorem and

(v) In view of the general reduction in duty rates, the duty advantage in favour of electronic goods manufactured in the small-scale units shall be reduced from 15 per cent ad valorem to 10 per cent ad valorem.

Electronic goods will be fully exempted from payment of special Excise duty now charged at the rate of five per cent of the basic Excise duty.

Exemptions covering musical systems are inapplicable to goods produced in a free trade zone.

CSO: 4600/1561

FURTHER MEDIA REPORTAGE ON SRI LANKA DEVELOPMENTS

Visit of TULF Leader to Madras

Madras THE HINDU in English 18 Aug 83 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI Aug. 17.

The TULF leader, Mr. A. Amirthalingam, said today that his party, representing the "preponderant majority" of the Tamil community in Sri Lanka, was ready to go to the negotiating table without pre-conditions, and consider any reasonable alternatives that the Jayewardene Government was prepared to offer to meet the substance of the demand for separation.

But he would not give up in advance the right of the Tamil people to independence before engaging in these negotiations with the Sri Lanka Government to explore the possibilities of a settlement in the context of the Indian efforts to bring about a lasting political solution.

Addressing a crowded press conference, Mr. Amirthalingam said: "On our side, there will be no conditions. But if Mr. Jayewardene lays down any, the talks cannot begin". However, the Indian initiative had brought about a qualitative change in the situation and, since both sides had accepted the offer of its good offices, it was for the Government of India to take the next step to bring them to the negotiating table.

No change in objective

If the TULF was satisfied that any alternative emerging from these negotiations would adequately redress the grievances from which the demand for separation had arisen, the party would place it before the people for their acceptance. But otherwise there would be no change in the fundamental objective of independence even in this changed situation, until a reasonable alternative was found for meeting the legitimate aspirations of the Tamil people for complete equality, justice and fairplay within the framework of a united State.

But Mr. Amirthalingam made it quite clear at the same time that there was no question of the Tamil community entertaining any proposal within a unitary Constitution. "The process of

negotiations", he said, "cannot advance unless the Government of Sri Lanka is willing to go beyond its efforts hitherto towards the resolution of this problem."

The TULF, he stressed, had never taken the position that it was not willing to consider any alternative within a united State. But if no acceptable alternative emerged from these negotiations, "we could even separate by mutual consent as did Malaysia and Singapore. It will be a divorce by agreement."

For understandable reasons, Mr. Amirthalingam had to keep up this fine distinction between a reasonable alternative to separation within the framework of a united State and any solution that might be sought for preserving the present unitary Constitution. Though he did not say it in so many words, what the TULF leader had in mind was a broad-based federal solution that would give the Tamil community a large measure of local autonomy along with adequate representation in the federal Government.

Material change

Asked why he had modified his earlier stand not to have any talks with the Jayewardene Government, the TULF leader said that, though the decision to go to the negotiating table did not in itself represent a change in the party's position, it had certainly changed at least in one respect in the sense that, after deciding at the Mannar conference on July 24 not to have any further bilateral discussions with the Government, it had now agreed to engage in a dialogue because of the material change in the situation brought about by the Indian offer of good offices and its acceptance by both sides. The initiative now rested with the Government of India for working out the modalities to bring the two parties to the negotiating table to strive for a fair and equitable political settlement.

Mr. Amirthalingam scoffed at reports that he was faced with a near revolt within the TULF over his readiness to reopen the negotiations

with the Sri Lanka Government. He said these mischievous reports were being spread by the Sinhalese press to divide the Tamil people and sow the seeds of discord among them. He reaffirmed the TULF commitment to adhere steadfastly to its policy of non-alignment despite the grave provocations of the Sri Lanka Government.

Answering a series of questions on the role of the Tamil "Liberation Tigers" and their relationship with the TULF, he pointed out that these young men were driven to the path of violence and revolution by the repressive policies of the Government. Though their methods were different, the TULF and the Tigers shared the common ideal of liberation of the Tamil people.

In a lengthy statement he read out at the press conference, Mr. Amirthalingam thanked India for its efforts to find an early solution, recounted the terrible brutalities inflicted on the Tamil people, the extensive damage done to their properties and trades and stressed the urgent need for adequate relief for the victims and steps to rehabilitate them. He said that about a hundred factories and thousands of

business premises had been destroyed, innumerable shops looted and set on fire and nearly 135,000 people driven out of their homes.

Though there were no proper estimates of the death toll, he thought at least 2,000 people would have perished in this unprecedented orgy of violence. The estimates of the losses suffered by the Tamil community vary, but the total could be at least double the official figure of eight billion Sri Lanka rupees (\$400 millions or 400 crores Indian rupees).

Stay extended

The TULF leader has extended his stay in Delhi and he will be leaving for Madras on Friday morning to meet the Tamil Nadu leaders and thank them for their sympathy and cooperation.

Expressing his apprehension that funds being offered for relief would not be used for the rehabilitation and relief of Tamils, Mr. Amirthalingam suggested that the Indian High Commissioner in Sri Lanka be involved in the disbursement of funds from India. As for international aid, he wanted strict monitoring and supervision (reports PTI).

Press Conference Statement

Madras THE HINDU in English 18 Aug 83 p 7

[Text] NEW DELHI, Aug. 17. Following is the text of the statement made by the Tamil United Liberation Front (TULF) leader, Mr. A. Amirthalingam, at his press conference here today:

"As the leader of the Tamil United Liberation Front it is my duty to thank the Government of India, the people of India and all the political parties and the media for the concern that they have expressed with a rare unanimity with regard to the suffering and anguish that the Tamil people have experienced during the last two weeks.

"My visit to India has given me an opportunity of directly assessing and comprehending the intense emotions and feelings of all sections of the people of India. This concern has been expressed by many people through symbolic acts of sacrifice, including the supreme sacrifice of self-immolation.

"I have found that in Tamil Nadu there is immense outpouring of grief and wish to thank the Government of Tamil Nadu and all political parties and groups for the steps that they have taken in this regard. It is clear to me on arrival in Delhi that the pattern of gross violations of human rights and the tears and shattered lives of my people has shocked the conscience of all people in India.

"I wish to thank the Prime Minister of India, the Foreign Minister and her other senior colleagues for the kindness and courtesy that they have extended towards me. Our discussions have proved to be cordial and constructive. We are convinced of the sincere desire of the Government of India to work towards a resolution of this problem.

"I have also had several meetings with leaders and representatives of major political parties and clarified the recent events and the political struggle for human values and dignity for our people.

135,000 refugees: "The poor defenceless civilians have been systematically slaughtered and subjected to physical attacks and indignities. Up to 135,000 people were crowded into refugee camps. Several thousand persons were displaced from their homes. One hundred factories and thousands of trading and business establishments have been destroyed.

"The Government has estimated that the total economic loss caused by this violence is about Rs. (Sri Lanka) 4 billions, which is about \$200 millions (Rs. 200 crores). We believe that this estimate is conservative. These incidents reveal a conscious and deliberate design to destroy and dismantle the economic base of the Tamils living in the south of Sri Lanka.

"The visit of the Indian Foreign Minister to Sri Lanka was however helpful in conveying directly the feelings of the people of India and bringing about an improvement in the law and order situation.

Periodic violence: "For many decades the Tamil people have been subjected to periodic violence at the instance of Sinhala mobs and mutinous members of the armed forces. The collective suffering and anguish that they have experienced in recent days is however unprecedented. The lives of thousands of people have been shattered and the physical and emotional trauma that they have experienced would indelibly form part of the racial memories of the Tamil people.

"The most critical question is the need to prevent a recurrence of this violence and to protect the lives and properties of Tamils who continue to live in extreme anxiety and fear. Systematic violence directed towards an ethnic group represents a crime against humanity and a fundamental assault on the basic postulates of the international order. We believe the international community must go beyond the mere expression of concern, and take concerted action to prevent such gross violations of human rights.

Enormous task: "The problems of relief and rehabilitation post monumental tasks of reconstructing the lives of refugees and displaced persons. We have sought clarifications with regard to the real purpose and motives behind the emergency regulations which vest in the State all factories, homes and business establishments damaged during the riots and belonging to the Tamil and non-Tamil, many of whom are of recent Indian origin.

"We have welcomed the initiative of the Government of India to establish a special fund for relief and rehabilitation. Our party would like it to be ensured that all international assistance in fact reaches persons affected.

"This visit has also enabled me to review the circumstances relating to the recent initiative of India to offer its good offices towards a resolution of the national problem in Sri Lanka. Our political party has for many years been engaged in bilateral discussions with the Sri Lankan Government and these

"discussions have hitherto proved unproductive. We believe that the offer of good offices by the Government of India and the acceptance of this offer by the Government of Sri Lanka is a significant development which adds credibility to any process of negotiations.

No change in objectives: "In responding positively to the Indian initiative we made it clear that this does not represent any change in the basic beliefs and objectives of our party. I must reiterate that the proposals hitherto made by the Government of Sri Lanka did not adequately respond to the real grievances and the aspirations of the Tamil people.

"The process of negotiations cannot advance unless the Government of Sri Lanka is willing to go beyond its efforts hitherto towards a resolution of this problem. There is also an urgent need to take adequate measures to defuse the climate of tension and insecurity that prevails among the Tamil people both in the Tamil areas and in other parts of the country".

Indian Envoy's Mission

Madras THE HINDU in English 20 Aug 83 p 1

[Article by G. K. Reddy]

[Text] NEW DELHI, Aug. 19. The Prime Minister's special envoy, Mr. G. Parthasarathi, is due to leave for Colombo next Wednesday for talks with the Sri Lanka President, Mr. J. R. Jayewardene, and his advisers on the modalities of the proposed dialogue with the leaders of the Tamil community for finding a lasting political solution to the island's ethnic problem.

It has not yet been decided whether he should go to Colombo from Bombay and return through Madras, or go to Madras first to meet the Chief Minister, Mr. M. G. Ramachandran, the DMK leader, Mr. M. Karunanidhi, and other prominent personalities in Tamil Nadu before going to Colombo on this delicate diplomatic mission.

As he has had several meetings with the TULF leader, Mr. A. Amirthalingam, during the latter's stay in Delhi, Mr. Parthasarathi will be able to discuss with Mr. Jayewardene in Colombo the procedures for fresh negotiations with full knowledge of the views of the Tamil community on the possibilities of an amicable settlement in the present situation. The real task at the moment, therefore, is to get the dialogue started without any preconditions before the ruffled feelings on either side start hardening again.

Basis for negotiations: The Indian diplomacy in this more immediate context is aimed at evolving a mutually acceptable basis for negotiations, not at evolving a framework for a settlement. The Prime Minister, Mrs. Indira Gandhi, is not unduly bothered about Mr. Jayewardene's rigid public postures, since some sort of a tacit understanding has already been reached that he would not be averse to the idea of a reasonable alternative to the present unitary system of Government.

Mr. Amirthalingam also has agreed to give serious consideration to other possibilities like a federal solution that would meet the substance of the Tamil demands and obviate the need for separation. He has impressed Mrs. Gandhi and her advisers with his pragmatic approach to the basic aspirations of his people.

Apart from the fact that India has now emerged as an indirect participant in these negotiations with the acceptance of its good offices by both sides, it has been able to impress upon all concerned, especially the big powers which are closely watching the Sri Lanka situation, that it is fully committed to the preservation of the independence and integrity of this island nation, consistent with its firm resolve to secure justice for the Tamil minority there. It feels quite confident that it would be able to preserve this distinction in pursuing its mediatory efforts with patience and perseverance.

Underwriting accord: It is generally accepted by the international community that, though India has no desire to become a contracting party to any agreement that might be arrived at to resolve the Sri Lanka tangle, this country cannot also escape the responsibility of underwriting such an accord in one form or another, as a neighbour that is deeply interested in ensuring that the agreement is implemented in its true spirit. A major gain from India's point of view has been the implied acknowledgment of this special Indian interest by the Sri Lanka Government in accepting the offer of its good offices.

The hawks in the Jayewardene Cabinet will certainly try to put up a bitter rearguard fight to sidetrack the proposal for a federal solution when the time comes for discussing it, with the excuse that any attempt to arrive at a settlement would require a referendum to change the basis of the present Constitution. The argument that is already being advanced privately by some of Mr. Jayewardene's confidants is that the Government would not be able to carry the Sinhala majority with it in such a referendum, which means that the country will be faced with a political deadlock with all the attendant risks of another ethnic convulsion.

Concentration on preliminaries: The Indian strategy is not to get bogged down in this constitutional quagmire at this stage, but concentrate on the preliminaries for getting the two sides to the negotiating table to create an atmosphere of conciliation before coming to grips with the complexities of finding a widely acceptable political solution.

And since time is of the essence in this effort, Mr. Parthasarathi will have to do everything possible to keep up the momentum of expectation as he goes through the exasperating process of persuading both sides to adopt a constructive attitude and seek a settlement based on a balance of concessions.

Damage to Tamils

Madras THE HINDU in English 23 Aug 83 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, Aug. 22.

The World Bank and IMF, which have sunk a lot of money in the last few years to salvage Sri Lanka's stagnant economy, are reported to be cautioning the Jayewardene Government against any rash political moves to dislodge the Tamils from key sectors under the guise of increased Sinhala participation in wholesale and retail trade, take-over of damaged industrial units and utilisation of public funds to repair and restore their productivity under State supervision.

The IMF is sending a team to Colombo to survey the extent of damage done to Sri Lanka's economy by the recent violence, while reviewing the country's performance and reassessing its foreign aid requirements before releasing the remaining tranches of its loan commitments.

The World Bank, proceeding in a more sophisticated and less visible manner, is said to be counselling Sri Lanka against the perils of hasty measures that could deny the country the benefits of the managerial skills and commercial experience of the Tamil minority in the stewardship of the island's internal economy and export performance. As an exponent of private enterprise, the World Bank is rather wary of the Sri Lankan bid to commit Government funds on a large scale to recast the island's economic structure by taking over or diluting the ownership of the damaged industries and depriving the Tamils of their privileged position in the wholesale and retail trade.

The Uganda lesson

At the meeting called by the Sri Lanka Finance Minister Mr. Ronnie de Mel, to seek World Bank and IMF assistance in the rehabilitation of the island's economy that has been crippled by the recent violence, he was told in no uncertain terms that the attempts of the Government to expropriate virtually the Tamil-owned properties and business premises would transform Sri Lanka into another Uganda by scaring away foreign investment and depriving the country of the expertise of its own Tamil minority on purely political considerations. His apology that the new measures aimed at broadening the Sri Lankan economy by giving the Sinhala majority a greater share in it did not impress these hardheaded bankers who were more concerned about the viability of the loans they were being prevailed upon to extend for the repair and rehabilitation of the damaged industries and reorganisation of the wholesale and retail trade in the southern parts.

Exports will be hit

The State-owned plantations in the central part of the island, which are almost entirely dependent on Tamil labour, will be faced with an equally bleak future if the Government does

not take timely steps to restore their shaken confidence. The destruction of the Tamil-owned coconut oil mills has already deprived Sri Lanka of a major source of foreign exchange earnings, while the unsettled conditions in the rubber and tea plantations are bound to affect the export of these two commodities which is essential for the economic survival of the island that is already plagued by chronic deficits in its balance of payments.

A disquieting feature of this grim situation is that quite unmindful of the consequences, the hardliners in President Jayewardene's Cabinet — like Mr. Ronnie de Mel, Mr. Lalith Athulathmudali and Mr. Cyril Mathew — are bent upon utilising the sad occasion to dislodge and drive out the well-entrenched Tamil entrepreneurs and traders from the predominantly Sinhalese areas of the south. Little realising that they are in effect paving the way unwittingly to a de facto division of Sri Lanka on ethnic lines.

The Government of India has not so far received any satisfactory assurances from Mr. Jayewardene on what exactly the Sri Lanka Government proposes to do with the sequestered properties of the displaced or dispossessed Tamils other than a vague promise that proper legislation would be enacted to regulate their return or reallocation following the procedures adopted by other countries including India and Pakistan in similar situations. In other words, there is no guarantee at all that these properties would be restored unconditionally to their rightful owners in due course.

The official estimates of the damage suffered by the Tamil-owned residential properties, business premises and industrial establishments are based on their old evaluations, while the costs of repair would be many times more under present-day inflationary conditions. It is not clear how the Government proposes to defray these repair costs, whether at least a part of the money spent will be written off as compensation or treated as investment for gaining control over the Tamil-owned industries even if the previous owners are permitted to retain their nominal proprietary rights over them.

Task for Delhi

The right of the Tamils to carry on their legitimate business activities without any hindrance in all parts of Sri Lanka will have to be fully upheld if the island is to remain united as a single country with a federal constitution. At some point, India will have to thrash out this problem with the Sri Lanka Government before the leaders of the Tamil community can engage in any serious dialogue with it for finding a lasting solution.

TULF Leader's Remarks in Madras

New Delhi PATRIOT in English 21 Aug 63 p 1

[Text]

MADRAS, Aug 20 (PTI) -- Tamil United Liberation Front (TULF) secretary-general A Amirthalingam said today the Sri Lanka Government's 'fairly strong commitment' to the United States was one of the factors contributing to its 'anti-Indian stance'.

"If, however, India is firm, I think America is not going to bale him (Sri Lanka President J R Jayewardene) out. He will have to listen (to India)" he said.

Asked whether the Sri Lanka Government was toeing the US line, he said, 'though outwardly Sri Lanka is in the non-aligned group, they are closer to ASEAN countries'.

Replying to a question if the Sri Lanka Government proposed signing a treaty with the US, he said he was not sure. All that he knew was that the setting up of an oil refinery by an American company in Trincomalee would mark 'greater American involvement in Sri Lankan affairs'.

Asked if India should counter American influence in Sri Lanka, Mr Amirthalingam said India should take a firm stand. The statement of Indian Prime Minister Indira Gandhi that the situation had to be handled with restraint but with firmness was an indication 'she realised the stand she should take'.

The TULF leader charged Mr Jayewardene with attempting to divide the Indian people on the Tamils issue.

Mr Jayewardene, by blaming political parties in Tamilnadu for their support to the Sri Lanka Tamils, was attempting to divide the Indian people, he said.

PARLIAMENT'S BOYCOTT

The TULF leader said party members in Parliament will not take the oath disavowing separation and are willing to sac-

felt their membership.

He held discussions with Dravida Munnetra Kazhagam president M Karunanidhi for three hours in Tiruchirappalli over the Tamils' issue.

Meanwhile, the Tamilnadu Lawyers Forum for Human Rights has decided to constitute a three-member commission consisting of two former judges of Madras High Court and an eminent jurist to go into the atrocities on the Tamils in Sri Lanka.

A report from Colombo adds Indian High Commissioner S J S Chhatwal said about 300 people of Indian origin displaced by recent rioting would be repatriated to India by ship next week.

He said they had been given Indian citizenship under the Indo-Sri Lanka agreement bet-

ween the two countries and would eventually have been repatriated to India.

Arrangements were being made to take these people to South India in the Indian ship M V Bharat Seema, probably on Monday, he said.

Red Cross societies of 14 countries have pledged relief aid of 1.25 million dollars for the thousands of people affected by the ethnic violence.

Sri Lankan Red Cross Society chairman Bandula Abeysekera told reporters that the assistance had come from India, Australia, Canada, Denmark, Finland, West Germany, Britain, Japan, South Korea, Nepal, New Zealand, Norway, Singapore and Sweden.

China had also promised to send a consignment of clothing, he said.

CORRESPONDENTS REPORT ON DEVELOPMENTS IN ASSAM

PATRIOT on Border Situation

New Delhi PATRIOT in English 24 Aug 83 p 4

[Text]

NEW DELHI, Aug. 22.

The Centre is maintaining constant vigil in Assam in view of the reported collection of arms by extremists and distribution of pamphlets containing inflammatory material.

At today's meeting of the consultative committee attached to his Ministry the Union Home Minister, Mr. P. C. Sethi, said all-out efforts would be made to unearth arms and maintain peace in Assam. Apart from confirming the decision to erect a barbed fence all along the Indo-Bangladesh border, Mr. Sethi mentioned the steps already taken to check infiltration. On the Bangladesh border with Assam, the number of outposts had been increased from 48 to 81, reducing the average distance between two outposts from 5.6 km. to 3.4 km. Additional measures, suggested by an expert group were under consideration.

A note circulated to the committee members referred, in passing to the agitation of the All Assam Students Union and the Gana Sangram Parishad on the issue of foreign nationals. The Centre's "doors were open" for talks, it said adding "the Union Government is anxious to find a just and satisfactory solution in consultation with the State Government and all other interests concerned. It has been making efforts to restore normality and create conditions congenial to a fruitful dialogue."

Refugees back home: According to Mr. Sethi, the situation in Assam had gradually improved, with schools and colleges working normally, and refugees going back to their homes. The State Government had requested

the Centre to sanction Rs. 65 crores for relief work, of which Rs. 47 crores had been given.

Foreign inspiration: The details of the activities of extremists were given by two members, Mr. Chitta Basu (Forward Bloc) and Mr. Niren Ghosh, CPI (M). The arms seized by the Assam Police, carried foreign markings, they said.

Mr. Ghosh cautioned against the consequences of the encouragement received by extremists from abroad and quoted intelligence reports of the Assam Government in support of his point about foreign inspiration.

Guidelines to States: Other subjects discussed by the committee included communal situation and atrocities against women. Mr. Sethi said the Centre had been drawing the attention of the State Governments to the guidelines issued by it to prevent and check communal violence. He and his colleagues, Mr. Sethi said, had written to the Chief Ministers emphasising the need for strengthening administrative arrangements at various levels. He referred to the addition of three battalions to the Central Reserve Police Force specifically for peace-keeping operations. Three more battalions were planned to be raised for this purpose, he said.

The Home Minister's attention was drawn to unauthorised construction of places of worship by persons with vested interests. The Centre, he said, had asked the State Governments not to allow construction of a place of worship either on private or public land without permission.

HINDU on Terrorist Dangers

Madras THE HINDU in English 23 Aug 83 p 9

[Text]

GAUHATI, Aug 23—All is quiet on the Assam-Bangladesh border. The infiltration of foreign nationals into the State from across the State's border is

a trickle as a result of intensive vigil by the border force and the heightened awareness of the border population on the Indian side as this correspon-

dent discovered during a tour of the western sector of the border.

Except for stray cases of Bangladesh nationals trying to cross over to visit immigrant relatives living in Assam, petty individual smugglers bringing foreign made goods to border towns and continuing instances of cattle lifting, the 40 km stretch of land and riverine border presents no evidence of any influx.

Talking to the people living along the border and jawans and officers of the BSF and the Assam police, it is clear that ever since border posts were strengthened and patrolling operations intensified last year, there has also been no settlement of foreign nationals in the border areas. The 16 kms stretch of the border from Satrasal to Patamarl has been virtually sealed and there was only a single instance of an alleged case of infiltration that was reported by the border guards in the last eight months. However, the riverine border along the Brahmaputra from Patamar to Barer Alga was less impregnable.

In the first week of August, the border forces in Reserverchar—a riverine island on the Indian side—arrested three Bangladesh nationals from Nageswar village trying to make it to Laxmib district headquarters town of Dhubri in a country boat. More recently, five Bangladesh nationals, including four women belonging to Mirjapur village, were intercepted and arrested while heading for Barpeta deep inside Assam to visit their relatives settled there.

Along the Barer Alga, Mankachar border, the Indian villagers—most of them long settled Muslim immigrants—complained of continuing cattle lifting forays by Bangladesh villagers though they asserted there was no dacoity as in the past.

Stray cases of clashes were however taking place. The immigrants complained of harassment in the name of checking smuggling and infiltration. In the Barer Alga-Mankachar stretch, stray cases of cattle lifting were done in connivance

with anti-occass living on the Indian side. In Mankachar itself known as a smuggling centre, there was no sign of any smuggling on commercial scale, though individuals still approached visitors with foreign made pens and polyester cloth.

There was nothing to believe that any trafficking in arms and ammunition was taking place along the border—either riverine or land—although there have been reports of recoveries of some cartridges of foreign make from Dhubri recently and police sources in Gauhati claim arms sale in some immigrant areas like Soth Salmara.

The Assamese Hindu villagers and even AASU activists, who live in the villages along the Satrasal-Sonnarhat border, were happy with the security measures though they feared infiltration might be taking place from across Bangladesh into the neighbouring Cooch Behar in West Bengal. The effectiveness of the border security arrangement along the Satrasal stretch was evidently due to motorable road that ran close and parallel

One problem of the border forces posted along the other land boundary stretch between Singimar and Mankachar was the absence of such a border road. Here the patrolling is done on foot and the Jitira river, small but wayward, offers the cattle-lifters a safe sanctuary and quick retreat. But a common woe of the border forces guarding the land border was the thick human habitation and jute cultivation on both sides which made detection of strangers difficult. The river on the border presented problems of a different nature. Even with the additional speed boats recently pressed into action and increase in the number of outposts on the river island, it is not possible to ensure a sealing of the border here. The 25 odd islands, big and small which appear and disappear on the might of Brahmaputra create a maze of criss-crossing channels where patrolling is not easy. And the border often cuts across these islands with Indian and Bangladesh villagers.

There is no denying that the strict vigil that the BSF has mounted against heavy odds. Fresh infiltration on any significant scale has become impossible on the Assam-Bangladesh border. But the pushback posts in the western sector of the border are understood to be sending back undaunted is not foreign infiltrators detected from all over State. Since both the people and the police admit there has been no recent settlement of foreign nationals in the border areas, those being pushed back are obviously those who had entered the State through some other points and who had settled elsewhere. What is happening to those pushed back is also not clear. There were instances of the same persons pushed back thrice. Whether the alleged foreign national is being shuttled about between the Indian and Bangladesh border forces or the infiltrator is sneaking back undaunted is not known. The border posts on the Bangladesh side are comparatively less in number. How effective they are is again difficult to judge, though one understands they are even sensitive to unusual civilian movement on the Indian side.

What is painfully beyond doubt to any one visiting the bedevilled border is the human fallout of the partition. Airmari, the Bangladesh village on the Desnar-Alga, was celebrating a marriage on the day of this correspondent visited the island. The Bangladesh villagers who spoke from across the invisible border along a path 500 feet there could be no single Indian friend at the celebrations, though they worked side by side in the fields all the time. The Indian children, who followed our party to the invisible border, looked on as the gaily dressed Bangladesh villagers turned back but not before passing on to the visitors to their neighbourhood a bundle of beedis, a parting token of affection and a poignant reminder that a wall or barbed fencing should soon put to an end even to such small gestures.

OFFICIAL JOURNAL SCORES GOVERNMENT POLICIES

Calcutta THE STATESMAN in English 22 Aug 83 p 9

[Text] NEW DELHI, Aug. 21.--The latest issue of "Yojana", a Government publication, is in the centre of a controversy because the Government's policies have been criticized in most of the articles.

A section of the bureaucracy, according to sources in the Information and Broadcasting Ministry, tried to stop copies of the issue from being distributed.

But the effort was belated and the special Independence number, with its theme: "Scientific Temper or Bondage of Traditions" is understood to have reached almost all the 16,000 subscribers.

Senior officials and Ministers, who usually consign most Government publications to the dustbin, are reported to have shown a sudden interest in the controversial issue, judging by the rise in demand for the latest "Yojana".

"Yojana" is brought out by the publications division of the Information and Broadcasting Ministry for the Planning Commission. At a meeting earlier this year, presided over by the Minister of State for Information and Broadcasting it was decided to revamp the magazine. Contributions giving a critical analysis of the various socio-economic programmes were to be used.

The initial proposal to get the Prime Minister to formally release the special issue on scientific temper and traditions was dropped. The Planning Minister and senior aides also reportedly shied away from releasing the issue.

After quoting a report on the killing of the district magistrate of Gopalganj (in Bihar) allegedly because of his action against the head of an ashram, Dr Pushpa M. Bhargava, Director of the Centre for Cellular and Molecular Biology, Hyderabad, in his article "Why, Why and Why All This?" says: "Our country abounds in such incidents (of the kind involving the Gopalganj district magistrate), and why not"? What else would one expect when Ministers and other senior politicians, senior scientists such as a past scientific adviser to the Ministry of Defence, secretaries to the Government of India and to the State Governments (and other senior civil servants), educationists occupy senior positions such as many Vice-Chancellors and the Chairman of the

University grants Commission, and prominent citizens, believe in one godman or another, specially in their miraculous and magical powers? Why this obsession with the supernatural?

The article says: "Commitment, honesty and integrity are at a discount at the national level...if you are not corrupt, you are likely to be laughed at by the 'more successful people'".

Mr P. N. Haksar in the course of his reply to a question says: "Faith and religion can co-exist provided we understand clearly the role each has to play in the lives of human beings. In this regard scientific temper need not declare a war on religion except when as I have said, politics masquerade in religious grab. Unfortunately in our country this happens on a massive scale. It is also fed by the nature of our economy and the character of our politicians. It is seriously aggravated by the way we have organized our electoral processes".

Dr Malcolm S. Adiseshiah on education: "The overall picture of the education system, particularly the formal education sub-system, is a bleak one, as far as its function of discharging the scientific temper among students, with its one way technique of teaching, its rigid, if not outdated curricular, the growing number of its guide books and bazaar notes, its lack of library and laboratory facilities, and malfunctioning of its examination system all the which forces the student to use his powers of memory. So in place of the capacity to analyse and reason he becomes a part of the tradition which follows what others say and specializes in repetitive actions and thinking. Even the violence and continuing disturbance in higher education institutions today is part of this tragic unthinking situation".

Mr I. K. Gujaral on the media: "In the absence of a comprehensive policy, on the one hand investment is made on TV and radio expansion and on the other a heavily taxed receiver set is kept outside the reach of even a middleclass family...

CSO: 4600/1570

KASHMIR LEADER HOLDS CALCUTTA PRESS CONFERENCE

Calcutta THE STATESMAN in English 20 Aug 83 p 6

[Text] If Indians mistrusted the Kashmiris, the path to separatism would grow, Mr Farooq Abdullah, Chief Minister of Jammu and Kashmir, said in Calcutta on Friday. But Kashmir was an integral part of India and it would like to remain so, he told a Press conference.

One should not think that Kashmir was a part of Pakistan because the Indian Constitution guaranteed a special status to it. All Kashmiris did not want to join Pakistan. "Do not misunderstand us", he said.

Reacting sharply when asked if he would agree to a plebiscite to find out if the people of Kashmir would prefer unification of Kashmir, he said: "You have a strange mental set-up. You ask me this because I am a Muslim. We have lost trust in each other. "No one should consider himself more Indian than any other.

He was, however, bitter that some of the water sources of Kashmir had gone to Pakistan. "Did you ask me when you gave away Jhelum and Chenab to Pakistan. I have to ask Pakistan what the level of a dam should be. Pakistani engineers want to see projects for themselves." Yet Kashmiris were not afraid of Pakistan, he said. They would receive the first bomb but they would still fight.

Mr. Abdullah thought that Kashmir should legitimately have a special status because plain land available there was small and the people were poor. Meghalaya, Tripura and Arunachal Pradesh could ask similarly for special status if they liked. If Assam, too, had such a special status the present problem would not have arisen there, he felt. He thought that the demands raised in Punjab were not those of Akalis alone. A solution of the water problem would benefit all communities in Punjab.

Mr. Abdullah said he had never felt that Muslims were not the mainstream of Indian life. It was a question of removing doubts from their minds. They thought that they needed protections such as special quota. But, they could fight on their merit. India's problem was that all the communities, Hindus, Muslims and Sikhs, had lost their religion.

The Chief Minister said that the date of the proposed meeting of non-Congress (I) Chief Ministers in Kashmir would be changed to suit Mr Jyoti Basu's convenience. When asked if he was trying to forge a non-Congress (I) front, Mr Abdullah said that the object of the Opposition meeting was not to throw somebody off chair. The States had financial problems and they could put them across unitedly. He said the main agenda of the meeting would be Centre-State relations, but refused to elaborate. He felt that a lot of problems faced by the States would be removed, if the thorny issues in the Centre-State relations were solved.

Mr Abdullah felt that the different non-Congress (I) governments, facing common problems, like unemployment, could come closer despite the fact they belonged to different political hues. He, however, said he wanted to have good relations with everyone, including the BJP and the Congress (I). The Pradesh Congress Committee (I) at Kashmir, however, did not have relations with Mr Abdullah's party. He wanted to have better relations with the Centre.

Asked if the problems faced by the country could be solved without a change in the Union Government, Mr Abdullah said there was no reason why Mrs Gandhi should not change. If the States could come together, the Centre would automatically be forced to change its policies. If the Centre misunderstood the intention of the non-Congress (I) States one could not help it.

Mr Abdullah said during his trip to Calcutta he had tried to remove some of the doubts and misunderstandings of industrialists about setting up units in Jammu and Kashmir. A team of industrialists would soon be invited from Calcutta to Kashmir.

Later addressing members of the Ladies' Study Group at Indian Chamber of Commerce in the afternoon, Mr Abdullah said that he was not in a position to change the tenets of Islamic Law. He argued that since the sympathy of the electorate mattered in a democracy, it was not wise to displease the Islamic fundamentalists and the mullahs.

Talking about the position of women in Jammu and Kashmir, he felt that conservatism was gradually losing its ground. More and more women were enrolling themselves in schools and colleges and taking up careers of their own.

The Chief Minister dwelt at length on the religious harmony prevailing on his State. Recalling the riot-torn days of the late forties, he remarked that there would not have been any Pakistan if Jinnah had not yielded himself to the more communal Muslims. Quoting Iqbal, he reminded the audience that the poet had visualized a united India, not two separate nations which the politicians finally created.

Members of Dr Shyamaprasad Mukherjee Smarak Samiti met the Chief Minister in the morning. They submitted a memorandum to him demanding a suitable memorial of the deceased leader at Srinagar. It was stated that Mr Abdullah assured them that since building of status was not customary in his State, he would try to instal a memorial plaque near the house in which Shyamaprasad Mukherjee lived.

The Chief Minister also visited Netaji Bhavan during the day. He went around the museum and was shown the different relics.. Dr Sisir Kumar Bose, Director, Netaji Research Bureau, presented a set of Netaji's Collected Works to him.

In the evening, Mr Abdullah urged journalists not to be victims of allure-ment and become pawns of politicians. The politicians are "liars" and they always tried to influence journalists to serve their own purpose, he said. He appealed to the journalists to be honest, not only to the people but also to their own conscience.

The Jammu and Kashmir Chief Minister was speaking on the "Role of the Press" at a reception hosted by the students of Calcutta University's Journalism Department, Mr. Sunil Mukherjee presided.

He reminded journalists that "India is a free country and India does not belong to some individuals, but to millions of people of the land". Mr Ashok Mitra, West Bengal's Minister for Finance, urged journalists to "stick to the fact". Misreporting of fact would do no good to anyone, he said.

CSO: 4600/1565

HERSH CHARGE AGAINST DESAI FOUND 'BASELESS'

Madras THE HINDU in English 25 Aug 83 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, Aug. 24.

After a thorough investigation spread over several weeks, the Union Government has come to the conclusion that there is no basis at all for Mr. Seymour Hersh's assertion that the former Prime Minister, Mr. Morarji Desai, was a CIA informer who had passed on top-secret information to the U.S. Government.

The Indian intelligence agencies have not come across even a shred of evidence in support of this fantastic theory that Mr. Desai continued to tip off the CIA about important Cabinet decisions both during his tenure as a senior Central Minister and even after he left Mrs. Gandhi's Cabinet.

The Government had a very detailed inquiry made to ascertain the facts not because it had any doubts about Mr. Desai's integrity, but because the issue was going to be raised in Parliament. It had to be in a position to say that there was no basis at all for this slanderous allegation, whatever the purpose of the CIA spreading the word that it had a mole in the Indian Cabinet during the Bangladesh conflict.

But an interesting part of this investigation is that, though Mr. Desai has been personally exonerated of this serious accusation, the Indian intelligence agencies have not been able to establish that there was no CIA mole at that time in the Cabinet itself or in the inner circles of the Government with access to Cabinet decisions, as claimed by the Nixon Administration to justify its own tilt towards Pakistan. So as a matter of abundant precaution the Government has been tightening up its security procedures on the assumption that in a free society like India it is relatively easy for foreign intelligence organisations to subvert persons in key positions and ferret out secret information.

At the same time the Government is not ignoring the possibility that, in order to vindicate the rash decision to despatch the nuclear powered U.S. aircraft carrier to the

Bay of Bengal to brow beat India with a show of force during the Bangladesh conflict, the Nixon-Kissinger team might have deliberately given credence to this canard of CIA mole leaking out the alleged Indian Cabinet decision to continue the war to dismember what was left of Pakistan in the West after its collapse in the East. But all this is in the realm of conjecture since it is impossible to prove or disprove such a presumption.

Strangely enough, the present Government has been rather reluctant to absolve Mr. Desai officially of this insinuation for purely extraneous reasons totally unconnected with the gravity of the charge levelled against him. As the previous Janata Government did not defend Mrs. Gandhi when the former U.S. Ambassador, Mr. Patrick Moynihan, had made a similar allegation in one of his books that the Congress Party had received American money for fighting the Kerala elections, it was argued that there was no need for the present Government to come forward to do now what Mr. Desai had failed to do at that time.

The then Home Minister, Mr. H. M. Patel, had said that Mrs. Gandhi was free to sue Mr. Moynihan for defamation. So following this precedent, the present Congress (I) Government has been saying that, as Mr. Desai had already filed a libel suit against Mr. Hersh, there was nothing that it could do to vindicate him other than await the outcome of this case.

Overlooked fact: A fact conveniently overlooked by successive governments in India, in the midst of the running controversy over the nature and extent of CIA involvement in this country, has been the existence of a very cosy relationship between Indian and American intelligence agencies in the wake of the 1962 Sino-Indian conflict. Apart from training Indian personnel and carrying out a joint expedition to the Nanda Devi to plant a nuclear powered device in the Himalayas to monitor Chinese atomic activities in Sinkiang and Tibet, the CIA had a liaison office in Delhi for many years

working in close concert with the Indian security organisations before it was closed down.

The origins of access that the CIA has had to various branches of the Government of India, besides the political parties in the country, can be traced to the Sixties. It flourished during the Seventies and spilled over to the Eighties, despite the frequent Indian complaints of foreign interference. But then it is not the CIA alone that has spread its web to India, since the KGB has been no less active in the attempts to extend its sway and influence in the country's responses to both internal and external developments.

CSO: 4600/1579

BRIEFS

GRANTS FROM UK--NEW DELHI, Aug. 19. India will get grants worth Rs 82 crores from the United Kingdom under two agreements signed here today. One agreement provides for Rs. 59 crores as local costs aid in lieu of debt relief for 1983-84. This will be used for financing local costs or mutually agreed projects and programmes. Under the second agreement, the UK will give grant of about Rs. 23 crores for the oil and natural gas sector. This will be available for financing imports of British equipment and services in the sector. Mr. J. S. Baijal, Additional Secretary, Department of Economic Affairs and Mr. R. C. Samuel, Acting British High Commissioner signed the agreements.--Our Special Correspondent. [Text] [Madras THE HINDU in English 20 Aug 83 p 1]

WEST GERMAN AIRCRAFT--NEW DELHI, Aug. 22. The Dornier 228-200 aircraft, manufactured in West Germany, will be inducted for the operation of the Vayudott services as well as to meet defence needs. The Minister for Tourism and Civil Aviation, Mr. Khursheed Alam Khan, told the parliamentary consultative committee for his Ministry today that the Government had accepted the recommendations for the choice of Dornier made by a negotiating committee under the chairmanship of the Defence Secretary. The committee had also recommended that the final contractual negotiations might be conducted with the German firm for the indigenous manufacture of Dornier. The aircraft, which is manufactured as a 15-or-19 seater, is claimed to use 30 per cent less fuel than other aircraft of similar size and performance. Mr. Kahn said a study was now being conducted to restructure the Vayudott organisation and operations. During the first three months of 1983-84 Vayudott was able to reduce its losses to about Rs. 1,20,000 a month from Rs. 7 lakhs a month. It is expected to reach break-even point by the end of the current financial year. The Minister said operational expenses of the company would be reduced considerably with the introduction of a fuel efficient, light transport aircraft. [Text] [Madras THE HINDU in English 23 Aug 83 p 1]

NEW ORISSA GOVERNOR--BHUBANESWAR, Aug. 17. Mr. Bishambernath Pande today assumed office as the Governor of Orissa. [Text] [Madras THE HINDU in English 18 Aug 83 p 9]

SOVIET AGRICULTURAL COOPERATION--India has sent some of the latest varieties of wheat seeds developed here to the Soviet Union for experimentation in the field conditions obtaining there. This would further help Indian agricultural scientists in their quest for still better seeds with the ultimate objective

of boosting food production. A reference to this was made when a four-member team of Soviet agricultural experts, led by Mr S A Denisov, Deputy Chief of Agricultural Board, Regional Executive Committee, Saratov, met Agriculture Minister Rao Birendra Singh on Friday. Mr Singh told the visiting scientists that India proposed to send a farmers' delegation to study dryland farming in the Soviet Union. During discussions on agricultural development in the two countries, the Soviet experts expressed their appreciation for the high level of research done in the field of agriculture in India. Mr Singh also told the visitors about a Fur Farming Centre proposed to be set up with Soviet assistance. [Text] [New Delhi PATRIOT in English 21 Aug 83 p 5]

BIHAR LOK DAL--Patna, Aug. 23--The Bihar State Lok Dal today split when five of its prominent members joined the Janata Party. The five leaders, including Mr. Sachidanand Singh, a member of the Lok Dal's Central Parliamentary Board and the party's national executive, quit the Lok Dal on the issue of the party forming the "National Democratic Alliance" with the Bharatiya Janata Party. Meanwhile, Mr. Karpoori Thakur, Janata Party leader, appealed to former socialists in the Lok Dal to join the Janata. He told newsmen that the chances of "political survival" of these socialists after Mr. Charan Singh's new-found friendship with the BJP were bleak. Mr. Thakur announced the five Bihar Lok Dal leaders' admission to the Janata Party at the press conference at which they were present. Replying to newsmen's questions, Mr. Sachindanand Singh said one more national executive member of the Lok Dal from Bihar, Mr. Parmeshwar Kuer, and some prominent officebearers and legislators of the party would join the Janata Party within a week. Mr. Singh said the Lok Dal by forming an alliance with the "RSS-dominated BJP has made a historical blunder". Any "heart searching" person who had witnessed the split of the Janata Party in 1979 would decry this alliance, he added.--UNI & PTI. [Text] [Madras THE HINDU in English 24 Aug 83 p 1]

INDO-POLISH CULTURAL PACT--A three-year cultural programme was signed between the Indian and Polish Governments on Wednesday in the Capital. Education and Cultural Ministry Additional Secretary Kapila Vatsyayan signed the programme on behalf of the Indian Government and Polish Ambassador Ryszard Fijalkowski on behalf of his Government. The programme envisages co-operation between the two countries in the fields of education and science, art and culture films and mass media and sports, among other things. [Text] [New Delhi PATRIOT in English 25 Aug 83 p 7]

CREDIT FOR BANGLADESH--BOMBAY, Aug 25 (PTI)--The Export-Import (EXIM) Bank of India has signed agreements for lines of credit aggregating Rs. 30 crores with five financial institutions and commercial banks of Bangladesh under an overall commitment of credits for Rs. 40 crores to that country. According to an announcement by the bank here yesterday the agreements were signed by Mr R. C. Shah, chairman and managing director on behalf of Exim Bank and Mr Mohammed Hossain, joint secretary, Ministry of Finance Government of Bangladesh and the representatives of the commercial banks. [Text] [New Delhi PATRIOT in English 26 Aug 83 p 7]

IRAN

QADHDHAFI HAILS IRAN AS 'PROTECTOR OF PALESTINE'

Tehran KEYHAN in Persian 25 Aug 83 p 3

[Text] Dr 'Ali Akbar Velayati, our country's Foreign Minister, and a delegation of high-ranking officials accompanying him, arrived yesterday evening at 10 p.m. local time in Damascus, the capital of Syria, on the eighth stop of their trip to a number of Asian and African countries, after completing a three-day visit to the Jamahiriyyah of Libya, where they saw and spoke with Mu'ammarr Qadhdhafi. The Iranian delegation was met at the Damascus airport by 'Abd ol-Halim Kheddam, Deputy Prime Minister and Foreign Minister, and other officials from this country.

The following is a detailed report of Dr Velayati's visit to Libya, along with a news item about the arrival of our country's high-ranking delegation in Damascus.

Dr Velayati Meets Colonel Qadhdhafi, Leader of Libya

Dr 'Ali Akbar Velayati, Prime Minister of our country, met and spoke with Colonel Qadhdhafi, leader of that country, on Tuesday afternoon. At this meeting, attended by the Libyan Foreign Minister and the Libyan Ambassador to the Islamic Republic of Iran, Dr Velayati submitted a message from Hojjat ol-Eslam Khameneh'i, President of the Islamic Republic of Iran, to Mu'ammarr Qadhdhafi.

Colonel Qadhdhafi then emphasized the Libyan nation and government's support and solidarity with the Islamic Republic of Iran, from the days prior to the triumph of the revolution to the present, while welcoming Dr Velayati and the accompanying delegation. He said: The Islamic Republic of Iran, which was a movement against American imperialism, aligned itself with the Arab nation after the victory of its revolution as a defender of Palestine; it is therefore supported by all progressive Islamic countries.

Dr Velayati, answering with thanks to Colonel Qadhdhafi for his remarks, affirmed the solidarity between the two countries and said: Nothing other than solidarity and unity can be expected between our two countries. With reference to Iraq's imposed war against Iran, Dr Velayati said: Our forces will continue to combat America's agent in the region, Saddam's regime, until the final victory. Concerning the Palestine issue, Dr Velayati said: We have stood beside the combatants of Palestine and other progressive and combative Arab countries; the struggle against Israel is taking place on the basis of our Islamic belief; it is considered one of those strategic goals towards which we do not strive in isolation.

Following this meeting, the cultural and economic commissions continued their work; after discussing and studying areas for cooperation between the two countries, they arrived at desirable results.

Two Foreign Ministers Sign Mutual Understanding Resolution

At the conclusion of the three-day meeting, our country's high-ranking political, economic, and cultural delegation, supervised by Foreign Minister Velayati, procured the signing of a mutual understanding resolution yesterday by the foreign ministers of the two countries in Tripoli.

This mutual understanding resolution contains six sections: agricultural, air freight, capital investment, petroleum marketing, and educational.

This resolution was agreed upon after talks between the Iranian delegation and a number of Libyan officials concerning changes pertaining to cooperation between the two countries and a study of matters agreed upon in the the former mutual understanding resolution. A proclamation of mutual desire to strengthen and expand mutual cooperation as much as possible was affirmed by both sides and signed yesterday at noon.

Among the items agreed upon in the agricultural portion of this resolution was the sending of a delegation from the Libyan Center for Agricultural Research to establish a joint agricultural subcommittee in Iran, the shipment of seed samples from Iran, and the submission of the experiments by Iranian specialists pertaining to the stabilization of shifting sands to Libyan agricultural officials. In matters pertaining to air freight, both sides signed the previous agreement on such affairs, and also announced a trip by Libyan experts to Iran for the purpose of discussing cooperation on aircraft maintenance facilities. In matters pertaining to commerce, while expressing their satisfaction with previous commercial exchanges, the two countries also agreed that while studying new proposals, each

side would create special commercial display facilities for the other in order to study one another's exportable merchandise. Concerning petroleum, Iran and Libya also agreed to make mutual efforts to expand cooperation. In cultural matters, Iran and Libya also announced an agreement to open cultural centers in both countries, and the Libyan side agreed to the opening of an office for the ISLAMIC REPUBLIC NEWS agency in Tripoli as soon as possible. Our country's delegation left Tripoli for Damascus yesterday afternoon at the end of a three-day stay in Libya, after seeing the leader and several of this country's ministers.

Delegation Arrives in Damascus

Dr 'Ali Akbar Velayati, our country's Foreign Minister, and the high-ranking delegation accompanying him, arrived in Damascus last night, and were met at the airport by 'Abd ol-Halim Kheddam, Deputy Prime Minister and Foreign Minister, and other officials of this country, as well as the ambassador and members of the Embassy of the Islamic Republic of Iran in Syria.

Before leaving Libya for Syria, the Foreign Minister, referring at a press conference to the Libyan role in Africa, the Middle East, and the Arab world in the struggle against imperialism, said that the planning of various plots by imperialism against this country and other combative countries, including the Islamic Republic of Iran, which has been invaded by America, was a predictable thing. In answer to a question pertaining to the Chad problem, he said: We condemn American intervention in any country, including Chad and the African countries.

Dr Velayati characterized his trip to Libya as very constructive and strengthening for relations between the two countries, and added that following the bilateral talks held on this trip, the previous joint resolution between the two countries has come nearer to the implementation stage. Referring to his visit with Colonel Qadhdhafi, the leader of Libya, he said that it was friendly and brotherly, and announced that the Libyan Foreign Minister will be travelling to Iran at his invitation.

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CSO: 4640/348

IRAN

HAJJ SUPERVISOR ACCUSES SAUDIS OF 'SABOTAGE, NEW RESTRAINTS'

Tehran ETTELA'AT in Persian 4 Sep 83 p 3

[Text] Medina - ETTELA'AT mobile correspondent: Hojjat ol-Eslam Khu'iniha, representative of the Imam and supervisor of the Iranian Hajj, held a press conference Thursday afternoon for domestic correspondents. Concerning the idea of keeping the Hajj rites separate from political issues, he said: This is an imperialist notion. Fundamentally, wherever political policies are based on religion and religious beliefs, among the first things to be rejected are relations with infidels and polytheists. If the people in a Muslim society understand their own political issues, and if they have expectations of their government officials on the basis of these same issues, naturally governments which are affiliated with imperialism will adhere to the idea of the separation of religion and politics.

Hojjat ol-Eslam Khu'iniha said concerning his meeting with officials of the Saudi Arabian Ministry of Pilgrimage Affairs and Religious Trusts: These meetings were ceremonial; they were not held for the purpose of discussing specific issues. If we want to talk to the government of Saudi Arabia, we must talk with higher-ranking officials than those we saw. What is important to us, and what we expect of Saudi Arabia, is that they make the resources available for the performance of a true and Islamic pilgrimage. We think that during the Hajj it must be stated that America is the enemy of humanity, that the Soviet Union is an aggressor, and that Israel must be destroyed.

Mr Khu'iniha added: At the beginning of my journey from Iran, I wrote to highly-placed Saudi Arabian officials that for the performance of a proper pilgrimage, an opportunity must be provided prior to the Friday prayer sermons in the Grand Mosque and the Prophet's mosque for the Muslim clerics, and especially the Muslim clerics of Iran, to come and explain the truth to the people. In order to show public contempt for the United States

and the Soviet Union, there must be at least two large demonstrations in Mecca and Medina, and the government of Saudi Arabia must provide the facilities for these affairs.

Concerning the plans that have been made for pilgrims from other countries, Mr Khu'iniha said: What we want to do is direct the thoughts of the Muslims of the world to the basic problems of Muslims during the Hajj seasons, and, praise God, this is being done by our pilgrims in various ways.

Concerning the way Saudi Arabian officials have treated Iranian officials this year, Mr Khu'iniha noted that the government of Saudi Arabia's procedures last year were in no way to the advantage of this country. He said: Of course, those unlawful things which Saudi officials did last year will not be done this year, but the way they are handling things this year cannot be called a good method, because this year Iranian pilgrims are still deprived of a great many of the ordinary propaganda resources that are allowed to Muslims from other countries. We are now faced with a series of difficulties. Among these is the control of our quarters; as soon as a non-Iranian makes contact with this area, they detain and interrogate him. They have impounded the vehicles of Iranian pilgrims on the grounds that their licenses do not bear the seal of the Saudi government, and this problem was also localized in this area. They are vigorously controlling the ability of Iranians to purchase the merchandise commonly used for propaganda purposes, to the point that they have issued orders that no one may sell things of this nature to the Iranians, and, in order to prevent contact by Iranian pilgrims with other Muslims, they have ordered that homes surrounding the sacred shrines not be rented to Iranians.

Concerning the social and political conditions in Saudi Arabia, the Imam's representative said: Naturally, the people of Saudi Arabia, like those in all other Muslim countries, believe in religious and Islamic values, and they are opposed to all acts which are in conflict with those values. If it be observed that they do not display the requisite sensitivity regarding some issues, the reason is that in their view, non-Islamic views appear to be Islamic.

Concerning the publication of the Persian language newspaper AL-MADINEH by the government of Saudi Arabia, Mr Khu'iniha said: The publication of this newspaper breaks a promise the government of Saudi Arabia made to Iran prior to the coming of its pilgrims to the effect that it would prevent the publication of newspapers in opposition to the Islamic Republic and the revolution. Yet even now they have assembled a number of monarchist counterrevolutionaries in order to publish things against Iran and the Islamic revolution.

How successful were these monarchists at protecting the shah's royal regime in Iran, that they expect them to succeed here? In general, there is an anti-Islamic line in the above newspaper, and it is the same thing as this notion of the separation of politics and religion.

In conclusion Mr Khu'iniha was asked what message he had for the pilgrims at the sacred House of God. He said: I would like to tell all pilgrims, whether they are making the journey this year or in future years, to take note that God has centralized the blessedness and auspiciousness of the Ka'bah in order to firm up and strengthen humanity and the oppressed nations; God willing, a universal world revolution will arise from beside this very Ka'bah against the imperialists.

Fortunately, the Iranian pilgrims have shown that the Hajj is intertwined with politics. If the Hajj is separate from politics, then why do they strike us when we say "Death to Israel"?

We say that the Hajj is political, and that our politics are anti-Israeli; we say that Soviet aggression must be discussed during the Hajj, and the fact that they say that it must not be discussed is itself a political policy. Just as it is political to say "Death to America," it is also a political policy to silence the slogan "Death to America." The pilgrims in all Muslim countries must realize that ultimately, God willing, the world revolution we are waiting for will arise from the vicinity of this very House of God, and they must prepare for it.

Three Iranian Pilgrims Die

At the conclusion of this report, ETTELA'AT's mobile correspondent added: Regrettably, three of our Iranian brothers have died in Luminous Medina, and have been buried near the graves of the Imams (Peace be upon them) in the Baqi' cemetery. These three individuals were: 1 - Gholam Hoseyn Mehdi Allahyari, 75, of caravan 1632, who died of a heart attack on July 28, 1983; 2 - Mohammad Reza Hojjati, 62, of caravan 1428, who died of a heart attack at the Prophet's Mosque (upon him be peace) on July 31, 1983; 3 - Heshmatollah Soleyman, 86, of caravan 2460, who died of a heart attack on August 2, 1983.

BRIEFS

COMMERCIAL EXCHANGES WITH SFRY--Tehran, 14 Sep (IRNA)--The volume of commercial exchanges between Iran and Yugoslavia has increased ten times in comparison with the prerevolution time and it is expected that the exports of Yugoslavia to Iran would reach 35 million dollars by the end of the current year. This was announced by the Yugoslav ambassador to the Islamic Republic, Edward Kljun, during the national day of Yugoslavia at the fifth day of international fair of Tehran. He then talked on the agreements on mutual cooperation between the two countries in such areas as the Sarcheshmeh copper complex in Kerman and the transfer of technology to the Islamic Republic. It is to be recalled that the volume of economic exchanges between the two countries was 146 million dollars in 1980 and increased to 208 million dollars in 1981. It further increased in 1982 and amounted to 397 million dollars of which 192 million dollars was Iran's exports to Yugoslavia and the rest Iran's imports from that country. [Text] [LD142239 Tehran IRNA in English 1920 GMT 14 Sep 83]

TV COVERAGE--The supervisor of Voice and Vision of the Islamic Republic, Mohammad Hashemi, ended his tour of Tilan Province this afternoon and returned to Tehran. He had gone to Rasht yesterday for a visit. Before leaving the province, he gave an interview to our correspondent on the successful operation of Rasht center, the television coverage of Vision of Iran in the border regions, and the countering of the global arrogance propaganda plots. He said: The enemies of the Islamic revolution, having launched a propaganda and military war, intend to harm the Islamic revolution of Iran so much so that at present more than 35 radio transmitters broadcast Persian language programs against the Islamic revolution or relay foreign television network programs on border areas, trying to promote absurd cultures, as before, in the region. Commenting on the war week [week ending 28 September] and the role of Voice and Vision, Hashemi said: Voice and Vision of the Islamic Republic of Iran, in cooperation with the war publicity headquarters, has designed numerous programs. These programs will be broadcast in the light of the names given to each day of this week in the form of observations, reports, and lectures. [Excerpts] [LD162234 Tehran Domestic Service in Persian 1630 GMT 16 Sep 83]

BRITISH TRADE DELEGATION--AL-ANBA' has learned from well-informed Western diplomatic sources that a high-ranking British trade delegation representing specialized companies, including arms manufacturing companies, has recently visited Iran's capital of Tehran, and discussed with senior Iranian officials the possibility of revitalizing trade between Iran and Britain and meeting Iran's needs for some weapons and spare parts necessary for some Iranian arms such as the Chieftain tank. These sources said that the British step is an implementation of an agreement reached by the countries of the Western Alliance and Japan at the Strasbourg summit to improve relations with Iran in all fields. These sources added that the FRG is now making secret and quiet contacts with Iran so that the FRG can cooperate in some projects necessary to save Iran's economy. [Excerpts] [GF152032 Kuwait AL-ANBA' in Arabic 14 Sep 83 pp 1, 22]

CSO: 4604/42

MOSCOW TO HELP PAKISTAN IN THREE MAJOR PROJECTS

Islamabad THE MUSLIM in English 29 Aug 83 p 8

[Text]

KARACHI, Aug. 28: The Soviet Union has agreed to assist Pakistan in the implementation of three major projects, Soviet Ambassador V. Smirnov disclosed here tonight.

He was speaking at a dinner hosted in his honour by S.M. Inam, Chairman, Pakistan-USSR trade and industry committee of FPCCI.

Mr. Smirnov said as a result of the recent visit of Soviet Minister for Economic Relations to Pakistan, USSR had agreed to construct three sections of the 630 megawatt thermal power plant at Multan, assist in the setting up of facilities for the production of 11,000 tons of spare parts annually for the Soviet assisted 1.1 million ton capacity steel mills at Bin Qasim, and help set up metallurgical and scientific research institute at Steel mills.

He disclosed that the USSR had also agreed to supply deep drilling oil rigs to Pakistan and would supply 6 or 10 rigs needed by Pakistan.

Mr. Smirnov also disclosed that Pakistan-USSR trade was expected to increase by about 40 per cent

during the current year.

However, he was of the view that the main reason why Soviet-Pakistan trade could not increase with the pace it should have been, was that there was lack of awareness of what each side could offer. For example, he said, some people always pointed to the growing volume of trade between USSR and a neighbour of Pakistan. But, he said, a large number of exhibitions of Soviet goods had taken place in that country and as a result businessmen in that country were aware of the full range of Soviet products.

Unfortunately, he said, in the last five years, not a single exhibition of Soviet goods had taken place in Pakistan and not many Pakistani businessmen had visited the Soviet Union to find out what they could trade with concerned Soviet Organisations.

Mr. Smirnov invited Pakistani businessmen to frequently visit USSR and develop bilateral relations with Soviet trade organisations in order to know what they could export to USSR and what they could import from there.

Mr. Smirnov also referred to the great possibilities of economic co-operation to be opened by

disarmament and detente and said his country was pursuing the objective with sincerity.

He said disarmament and detente will also open up the prospects of good relations with Japan and China and reiterated that all Soviet missiles to be taken out of European part of USSR as a result of disarmament deal, would be destroyed. Mr. Smirnov referred to a statement of President Andropov that USSR wanted to improve relations with China which, he said, would create new possibilities for trade and economic co-operation.

Earlier, S.M. Inam said the new barter agreement with USSR had been well received by the trade community. He also invited the Soviet state organisations to examine Pakistan's Sixth Five-Year Plan in depth and avail of the opportunities for collaboration with Pakistani entrepreneurs in various fields such as ship-repair unit, complete venture for dual carriage way construction from Karachi to Peshawar, electronic telephone exchange at Export Processing Zone, Karachi, Pakistan Steel Mills downstream projects, electronic engineering goods and solar energy sectors.

COTTON LARGEST FOREIGN EXCHANGE EARNER

Islamabad THE MUSLIM in English 30 Aug 83 p 6

[Text]

KARACHI, Aug. 29: The Cotton Association of Pakistan yesterday reviewed the cotton situation in the country and discussed prospects of cotton production during the forthcoming season.

The meeting, presided over by Nusrat Hasan, Chairman Policy, Coordination and Finance Committee of the Association also examined the report of the Chairman, export promotion and marketing committee along with other reports.

Many policy matters pertaining to production, ginning and marketing came under discussion.

During the meeting Nusrat Hasan apprised the members of the export performance of C.E.C. in 1982-83.

The Chairman said export sales commitments during the year totalled 1.85 million bales valued at about Rs. 4800 million. Thus placing raw cotton as the largest foreign exchange-earner in the country.

This achievement was made despite slack demand and stiff competition in the world cotton market, he added.

Mr. Nusrat said that due to

CEC's effective measures to improve the ginning through its various ginning schemes export sales of over one-inch staple length cotton had increased by 35 per cent during the year as compared to the previous year.

Diversification of markets continued to receive due priority as a policy and several new markets were added to the CEC's export list during 1982-83.

Pakistan cotton was now exported to more than 45 countries of the world, he added.

Turkey's East Yurekli, who attended the meeting as an observer suggested that the cotton producing muslim countries should form national cotton associations and a federation thereof.

He pleaded for the formation of an international cotton association of muslim countries for developing close cooperation and coordination of their policies and programmes and for exchange of experience in the field of cotton production research, ginning, marketing, technology, etc. to the mutual advantage.

The association yesterday also approved the final draft of the memorandum of association and rules and regulations of the C.E.C. and authorized its registration.

CSO: 4600/896

PROJECT FOR PROMOTING CAPITAL GOODS INDUSTRY PLANNED

Karachi DAWN in English 24 Aug 83 p 8

[Text]

United Nations Industrial-Development Organisation (UNIDO) and Investment Advisory Centre of Pakistan (IACP) are jointly working on a project of "how to promote capital goods industry" in Pakistan, the IACP Managing Director, Mr Reza H. Syed, told a radio news conference on Tuesday.

About the visit of OPIC mission from the United States, he said committees were formed for the establishment of 12 projects and the negotiations are underway.

Two projects are already in implementation stage: one related to animal husbandry. An Arab country has also evinced interest in investment in agricultural sector, he said.

Islamic Development Bank has offered to finance a project on bottling spring water in Pakistan. Motamar Al-Alam Al-Islami is floating this Rs 20 million project, he stated.

IACP, he said, was preparing a

report on Baluchistan. The report will be complete within a year. The IACP was first identifying the fields and would then prepare feasibility reports.

About his recent visit to Nepal, Mr Syed said Pakistan and Nepal would participate under an agreement in a joint venture in textile industry. Pakistan would provide machinery and know-how and Nepal would bear the expenses on building, etc. Many Pakistani entrepreneurs have shown interest to invest in this field in Nepal. IACP will prepare feasibility report by the end of this year and work will start next year.

Pakistan, he added, could also help Nepal in the establishment of industries producing liquid sugar from broken rice. Such industries are being set up in Pakistan.

He said IACP had prepared the portfolios of 1,000 projects during 20 years of its existence. He said a number of industries in the country are based on IACP reports.—APP

CSO: 4600/877

APPROVAL FOR 7 MAJOR PROJECTS REPORTED

Karachi DAWN in English 24 Aug 83 p 10

[Text]

ISLAMABAD, Aug 23: The Economic Coordination Committee of the Cabinet at a meeting held here on Tuesday under the chairmanship of Mr Ghulam Ishaq Khan, Federal Minister for Finance and Economic Affairs approved, in principle, projects of Pak-Gulf Fertilizer Limited and Fauji Foundation for manufacture of diammonium phosphate fertilizer, and laid down guidelines for subsidy in case of price control on DAP fertilizer.

According to an official handout, the projects envisage production of 3,30,000 tonnes of diammonium phosphate each.

The ECC at its meeting today, also gave a go-ahead signal to five projects in private sector for oil pumps, pesticides, welding electrodes and 3-wheelers of Kawasaki make.

The Industries Secretary gave a resume of production trends in 35 major industrial items during the quarter ended June, 1983.

He informed ECC that 29 items registered an increase in production ranging upto 33 per cent over the corresponding quarter of previous year, while six items registered decline in output upto 41.5 per cent.—APP/PPI.

POLITICAL CRISIS ANALYZED; FOREIGN FACTOR DISCUSSED

Islamabad THE MUSLIM in English 30 Aug 83 p 4

[Article by Sajjad Hyder, Ambassador (Retd.)]

[Text]

It is paradoxical that we in Pakistan have a habit of seeing and blaming a hidden foreign hand behind each successive crisis that we ourselves create while at the same time we remain blind to the opportunities we have created for foreign exploitation. The present constitutional crisis, which is what it deserves to be called, is no different in that respect from 1971 when it comes to a failure of perception.

The fundamental problem, to arrive at a nationally acceptable modality for transferring power, is inherent in any system of government which does not owe its origin and continued existence to a positive expression of national consensus. Such systems survive by their own momentum, by the favourable balance of forces, distained opposition, the lack of a democratic tradition and through the de facto compliance of a citizenry. It is all too easy for such regimes to delude themselves that compliance over a period of time is equivalent to positive assent for indeterminate further periods of time. In fairness it must be admitted that the problem of constitutionally transferring power has historically bedevilled the Islamic world let alone our own experience in Pakistan.

Faced with the present constitutional crisis one may postulate a number of broadly acceptable assumptions pertaining to our internal situation:

i) The Martial Law regime has enjoyed an adequate span of six years to achieve its stated objectives

of promoting stability, Islamization and the construction of a new political order.

ii) Only a democratic system can evolve the politics of national consensus on which our survival as a unified nation state depends.

iii) Unfortunately, for a variety of historical reasons the smaller provinces of Pakistan have traditionally resented and feared the spectre of real, imagined or potential Punjabi domination.

iv) The writing on the wall has been clear to see in Sind for any one who wished to see. Sindhu resentment is based on a number of factors. To begin with, there is Karachi with its influx from Central India after partition. Then the giving of lands under Ayub Khan to select generals and ICS Officers who brought their own tenants into Sind. Lastly, in this non-exclusive list the Sindhi notables, as those elsewhere, are tired of being deprived of political power which is synonymous with political patronage on which their continued influence depends.

v) Similar feelings exist elsewhere in the country. Over a period of time the Government might find it equally difficult to handle evolving situations in both these provinces.

vi) The country needs and merits a return to representative and democratic rule as soon as possible.

EXTERNAL FACTORS

What I am concerned with is to assess and to try to bring to the fore the external factors that we must now take into account in tackling the evolving situation. To

begin with, let us examine the options open to the government in dealing with the existing situation in Sind, leaving aside for the mo-

ment the other provinces. There is of course, the political solution being urged by many concerned and patriotic voices. However, in Pakistan we have traditionally suffered from a propensity to misperceive political problems as "law and order" situations which merit only "law and order" solutions. We paid previously for this mistake in 1971 in East Pakistan.

We can still all remember Indira Gandhi's statement after her victory in East Pakistan as she was about to swing her Army against West Pakistan.

She spoke of the deprived rights of the Sindhi and Baluchi people. Already Foreign Minister Narambha Rao and Mrs. Indira Gandhi have commented on the present situation in Pakistan and have expressed their support for movements towards democratic rights. While we may justly complain of Indian hypocrisy in denying to us the right to criticise endemic communal violence in India, it would be foolish of us not to recognise two pertinent factors. First, India, like it or not, is a big country in comparison to us. The realities of power of realpolitik, not international morality or equity, dictate how countries behave in comparable situations. Secondly, our unfortunate and high profile involvement in the Afghanistan quagmire has forced us in the last few years, encouraged for different reasons both by the USA and China, to turn cap in hand to a policy of almost appeasement towards India. We are now reaping the consequences of a foreign policy weakness of our own making.

HARDLINE SOLUTION

The government of Pakistan should have no doubt that should it opt for a hard line solution in Sind, it would give India the excuse it has been waiting for. India might point to a refugee burden entering India across the Tharparker border. Furthermore, it would seek international

justification for opposing what it would term as human right excesses by an unrepresentative regime.

There is a great deal of difference between the options open to the government in Pakistan, and the ability of military regimes in Latin America and Turkey to stay in power. In Latin America and Turkey, army regimes gained some acceptability for varying periods of time by ending episodes of anarchy primarily by being able to crush left wing guerilla movements which were urban and not rural in nature. In Latin America, no stronger neighbour lay in wait. In the case of Turkey, NATO provided a shield against any possible Russian reaction. None of these factors obtain in our case. On one side there is a hostile Afghanistan/Soviet combination. On the other side our traditional rival, India.

Our vaunted American connection would not be of any value in deterring India. We have seen that before in 1965 and 1971. A hard line reaction by the government may therefore, well antagonize important elements in the American body politic and thus erode the U.S. Administration's ability for support. We have seen during the fall of the Shah in Iran how difficult it is for a Super Power to help maintain a regime which lacks popular support, and conversely, in Iran again how difficult it is for any foreign power to destabilize a regime which has broad based support expressed through repeated elections.

Recent international history has shown that Vietnam was able successfully to invade Kampuchea without any effective international reaction, to a large extent because of the unsavoury human rights record of the Pol Pot regime. India would have a number of tactical and strategic responses open for exploitation. It could clandestinely send arms into Sind if the situation deteriorated. At a later stage it might initiate a limited military action in Sind with the aim of provoking a Pakistani reaction either in Sind or elsewhere which would allow India to broaden its objectives to include any or all of the following: to seize all or part of Azad Kashmir, to destroy our nascent nuclear facilities and capabilities, to destroy our military potential. Alternatively India may decide that a small but

decisive military action at any spot of its choosing, such as the Haji Pir Pass or elsewhere, might be sufficient to destabilize the government.

NO LOVE LOST

For their part, the Babrak Karmal regime in Afghanistan and the Soviet Union surely have no love lost for Pakistan at this stage. Our principled insistence that the people of Afghanistan should be allowed themselves to choose their own political and economic system has now become a double edged sword. The USSR may try to activate whatever influence it has in the NWFP, Baluchistan and in the labour movement. No one can tell what percentage of the 3 million

Afghan refugees are in reality subversive elements. There has been a certain lull in aerial and ground violations along the Afghan border, but there is no guarantee that this situation will continue.

Finally, in relation to external factor while we can count on a number of oil rich Arab countries as well disposed to the government there are others who are less friendly and who may now decide to throw in their considerable financial influence for whatever it is worth.

POLITICAL REALITIES

The history of Pakistan has shown that foreign factors are often crucial in the making and un-making of different governments. The 1965 war irreparably weakened Ayub Khan, and led to his eventual down-fall. The 1971 debacle led to the immediate ouster of Yahya Khan. It is an article of belief in certain quarters that certain foreign policy objectives including those in the nuclear field led to the hostility of a certain Super Power against the last government. Governments in Pakistan have learnt to their cost the price of not assessing properly the interaction of the foreign factors with internal policy.

For the sake of Pakistan, the government must bend all its efforts towards finding a political solution in consultation with our broad based political realities in order to evolve a representative government and a national consensus on which will depend our ability to face and to surmount internal and external challenges which threaten our very existence.

JURISTS CALL FOR WITHDRAWAL OF PROPOSED POLITICAL FRAMEWORK

Karachi DAWN in English 13 Sep 83 p 14

[Text]

LAHORE, Sept 12: Five prominent jurists, including former judges and Advocate-Generals, have issued a joint statement expressing their concern over the existing political situation in the country. They have demanded immediate withdrawal of the Aug 12 formula, and observed that the continuation of military rule had shaken the faith of the smaller provinces in the federation.

The signatories to the joint statement are: Messrs Justice (Ret) Dilawar Mahmood, Justice (Rtd) Khalid Mahmood, and Justice (Rtd) Aamer Raza, of the Lahore High Court; Raja Said Akbar Khan and Chaudhry Mohammad Arif, former Advocate-Generals of Punjab.

They maintained that the federation of Pakistan could only exist on the basis of a constitution which recognised provincial autonomy.

The people in Sind were as yet demanding the restoration of the Constitution of 1973 and early elections for transfer of power. This demand showed their patriotism and allegiance to Pakistan. Tomorrow, this demand might not be there, and the Sindhis might take the road which the East Pakistanis were forced to take, the jurists observed.

They said they were not unmindful of statements from Indian lead-

ers, but such "intrusions" could not be an excuse for "postponing what was necessary."

They said the political conditions prevailing in Pakistan, in general, and in Sind in particular, were such that no one could keep his eyes shut from them.

"We have been watching the developments taking place for quite sometime and, in particular, since the declaration made by the President of Pakistan on Aug 12, 1983. We are quite clear in our minds that if the declaration made on Aug 12 had provided for the end of martial law and a quick return to civil government by holding elections under the 1973 Constitution, without of course the suggested amendments, the political climate would have materially changed," the signatories maintained.

According to them, reaction in Sind had been pronounced because of the feelings of deprivation, which were common to all citizens.

The former judges and Advocate-Generals appealed that repression be stopped forthwith, the Aug 12 formula withdrawn and instead a firm and clear commitment for holding elections and transferring power be made in accordance with the 1973 Constitution, and as a gesture of goodwill all detenus be released.

ANSARI COMMISSION RECOMMENDS ELECTIONS IN 1984

Islamabad THE MUSLIM in English 29 Aug 83 p 1

[Article by Ashraf Hashmi]

[Text] ISLAMABAD, Aug. 28: The political structure announced by the President on Aug. 12, is different than what was suggested to him by the Constitution Commission. This was disclosed here today by the Chairman of the Commission Maulana Zafar Ahmed Ansari.

In an exclusive interview with 'The Muslim', the Maulana described the political structure announced by the President as nearer to the French system. The Commission, he said, had recommended a presidential form of government based on the Islamic conception of what he described as 'AMARTI NIZAM'. The President under the proposed system was to be elected by a joint sitting of all the members of the National and Provincial Assemblies and the members of the Senate. The President thus elected was given the powers to appoint as many ministers as he thought appropriate either amongst the members of the assemblies or outside from them.

The commission, Mr. Ansari said, was divided on the issue of the appointment of the provincial chief executives. Some members of the commission were of the view that the provincial chief executives should be named as chief ministers duly elected by the concerned provincial assemblies. While some others thought that the provincial chief executives under the new system should be designated as provincial governors appointed and

nominated by the President himself. In view of the difference, he said, this question was left open.

Mr. Ansari said his commission had suggested for the holding of election to the national and provincial assemblies and the Senate by October 1984. According to the recommendations of the Commission, he added, the election of all these bodies were to be completed within a period of seven months from March 1984 to October, 1984. But the President in his speech, he said, had extended the election schedule to 18 months.

The commission he further told had recommended for holding of these elections on adult franchise basis and laid no qualifications or conditions for a voter. He, however, said the Commission has suggested educational qualification for the candidates contesting for the national or provincial assemblies and for the Senate. The Commission, he said, had thought that the candidates should be either graduates or have an equivalent degree from any recognised religious institution.

The Commission, Mr. Ansari said, had not touched the issue relating to the status of the political parties but expressed its view in favour of holding polls on non-party basis.

The Commission had also supported the idea of separate electorates for the minority commu-

unities to ensure their full representations in the assemblies and recommended that the representations to these communities should be accorded on the basis of population.

The Commission, Mr. Ansari said, had recommended full participation of women in the country's political setup. The women were allowed to contest general seats of the assemblies, but to ensure their representation the commission had expressed the view that the President should constitute a women council, a body which should recommend the names of women for the assemblies. The President, he said, was authorised to nominate women members from the list supplied to him by the proposed council.

Mr. Ansari said the idea of formation of National Security Council was given by the commission. He said he was unable to understand the hostile reaction of some of the politicians to this proposal. He said this was an improvement to the 1973 Constitution under which only one man had been empowered with emergency powers. The Maulana said instead the Commission had recommended for the formation of such a body comprising of at least 16 members including the three services chiefs to decide the issue of the promulgation of emergency in the country. He said no other function was proposed for the council.

ARRANGEMENTS FOR LOCAL ELECTIONS IN PUNJAB COMPLETED

Karachi DAWN in English 24 Aug 83 p 4

[Text] Multan, Aug 23--All necessary arrangements for holding Local Bodies elections in the Punjab by the end of September have been finalised for which actual date is likely to be announced soon, it is reliably learnt.

In all 16,000 polling stations will be set up, mostly in schools. About 12,000 polling stations will be in the rural and about 4,000 in the urban areas.

One Presiding Officer, one Assistant Presiding Officer and few Polling Officers will be deployed at each polling station. Necessary material including form literature, ballot papers, stationery and ballot boxes etc. have been provided to all divisional and district headquarters in the province.

The Commissioners and Deputy Commissioners have been issued necessary instructions about holding free and fair elections in peaceful atmosphere.

According to a report here, arrangements have been completed in Muzaffargarh district for elections in which 6.17 lakh voters will cast their votes.

Correction

The President of Tanzeem-i-Falah-i-Shahrian, Multan Division, Haji Altaf Hussain Qureshi, has sought permission from the Election Commissioner for correction of mistakes in the entries of names of voters entered in the voter lists. He appealed the concerned officers to immediately publish all corrected voters lists of the new constituencies. Moreover, the areas wrongly included in wards should forthwith be corrected.

According to another source here, the present members and Councillors of Local Bodies will continue up to January next year, while the newly-elected members will take oath of their seats in October this year. Thereafter, they will elect members for women's and other special seats and then the elections of Chairmen and Vice-Chairmen will be held.

Later, proper training courses will be organised for who will hold their offices in the start of next year.

For the facility of the voters, the Identity Card Registration Office in Multan District has speeded up its performance. So far 16,85,717 cards have been issued to people of rural and urban areas. Mobile units have completed 90 percent of their work in the rural areas of Multan District in order to enable the people to cast their votes during the coming LB Elections.

CSO: 4600/877

NORTHERN AREA LOCAL ELECTIONS ON 25, 26 OCTOBER

Karachi DAWN in English 13 Sep 83 p 4

[Text]

GILGIT, Sept 12: Approximately two lakhs and sixty thousand people will go to polls for the Northern Areas Council and the three tiers of Local Bodies in Oct 25 and 26 according to an official handout issued here.

The election for the Northern Areas Council, District Council, Municipal Committee and Local Bodies will be held throughout Northern Areas on non-party basis. According to the revised programme notices inviting nomination papers were issued for Local Bodies on Sept 10 and for the Northern Areas Council on Sept 12, respectively.

While the same will be presented to the returning officers on Sept 14 and 15 respectively.

The list of nominees will be published on Sept 20 and 21 while the final list after scrutiny will be announced on Sept 22 and 24 respectively.

The candidates for Local Bodies will present their applications for

revision to the revising authority on Sept 25 while the Northern Areas Council candidates will have to present revision applications on Sept 27.

The revising authority will give his final decision on revision applications on Sept 28 and Oct 1 according to the revised programme. The candidates will be allowed to withdraw their candidature by Oct 2 and 3. Symbols will be allotted to the contesting candidates on Oct 4 and for the Northern Areas Council on Oct 5 respectively.

The Chief Election Commissioner will publish the polling programme on Oct 6 and 8 while the polling is scheduled to take place on Oct 25 and 26.

The official result of the contesting candidates for Local Bodies will be announced on Oct 30 while Northern Areas Council results will be officially announced on Oct 31.

A large number of candidates are expected to participate in the Local Bodies and Northern Areas Council elections. —PPI.

CSO: 4600/909

PPP LEADER RAPS JAMAAT-E ISLAMI AS NON-MUSLIM

Karachi AMN in Urdu 23 Jun 83 p 1

[Article: "Jamaat-e Islami Has No Interest in Islam; Conspiracy To Shed Blood Will Be Unsuccessful; We Are Not Communists, We Favor Democracy; Court Investigation Should Be Held Into the Incident at Mehran University: Maulana Ahtramul Haq"]

[Text] Hyderabad, 23 Jun, AMN dispatch--Maulana Ahtramul Haq Thanvi says: We have no connection with communism nor are we communists. If opposing the American imperialism and its disciples is to support communism, however, then we are communists. He was talking to reporters after addressing workers of the defunct Pakistan People's Party, MRD Movement for the Restoration of Democracy], and SPAF [Sind People's Students' Federation]. He said that those who dream about party spirits reside in a heaven of fools. The political unity of the MRD has been established to restore democracy in the country, and we will all continue to struggle as long as democracy is not restored. He said that when Maulana Shah Ahmad Noorani returned from Europe, he issued a statement supporting the MRD. Now, however, his course of action has changed. He said that it is wrong to look through the window from outside. We have no connection with either the right or the left; instead, we favor democracy and believe in it. He said that the defunct Jamaat-e Islami is a gang of infidels and polytheists and has no sympathy with Islam or the country. This party sowed the seeds of hatred in East Pakistan and organized the Al-Shams and Al-Badar groups to shed the blood of the Bangalis. These very people are now again creating confusion in the country. They are backing a nonelected government to destroy the democratic rights of 80 million people in the country. He said that the current rulers of the country and those belonging to the defunct Jamaat-e Islami are not only one politically but are blood relatives as well. The present military regime has no right to collect zakat and ushr because as long as an Islamic system in the truest sense is not established, the collection of zakat and ushr is religiously illegal. Accusing the defunct Jamaat-e Islami and its disciples, he said that these people intend to make this country like Indonesia by dividing its politics along religious and nonreligious lines. Nevertheless, the people will render their conspiracies unsuccessful. We will not accept the political system, and after gaining power, we will declare those who believe in Jamaat-e Islami a non-Muslim minority.

9779

CSO: 4656/213

JUP REFUSES TO JOIN MRD, EXPLAINS

Karachi DAWN in English 24 Aug 83 p 10

[Text]

LAHORE, Aug. 23: The General Council of the defunct Jamiatul Ulema-i-Pakistan (JUP), has rejected the proposal to join the MRD.

This was disclosed here on Tuesday by Moulana Abdus Sattar Khan Niazi, Secretary-General of the defunct JUP, while talking to newsmen at his party office in Lahore after the meeting of the General Council.

He said the house of about 100 JUP councillors did not approve of the suggestion to join the MRD.

Explaining the decision, he said his party was not ready to operate under the MRD's banner. 'We have our own banner and we have our own way,' he remarked.

He clarified that it does not mean that his party was opposed to any democratic movement, including the present one launched by the MRD since August 14 last.

He criticised the violence in the present MRD movement, particularly in Sind and felt that it was a result of suppression of the legitimate ways of democratic struggle by the people.

When a correspondent pointed out to similar acts of violence that occurred during the last PNA movement, Moulana Niazi replied that at that time also he had condemned the acts of violence.

He also condemned the slogans of "Sindh Desh" raised during the MRD movement in Sind and opined that such slogans were raised by miscreants.

When asked about the proposed alliance of the rightist parties, he replied that he was making efforts to form an alliance of those parties having faith in the 'ideology of Pakistan.' But the conditions for such an alliance were 'not ripe' at the moment, he said.

Earlier, the General Council of the defunct JUP called for immediate dissolution of the Majlis-i-Shoora and other nominated bodies at the federal and provincial levels 'as it was a waste of public money.'

By another resolution, the Council criticised the flogging of political workers and termed it 'immoral, inhuman and un-Islamic.'

Yet another resolution strongly criticised the ban on entry into Punjab of Moulana Shah Ahmed Noorani, President of the defunct JUP, and termed it an 'unwise' act of the Government. It recalled that similar actions of the Government were declared void by the Lahore High Court in the past.

The General Council in its declaration demanded immediate lifting of ban on all political parties and the political activities and urged

the Government to immediately open their offices.

The Council was of the opinion that the present proposals in the political framework announced by the President Gen. Mohammad Ziaul Haq had no legal sanctions. The Government established under the doctrine of necessity had no powers of legislation and it was authorised only to hold the general elections and transfer power to the chosen representatives. The Council called upon the Chief Martial Law Administrator to convene a conference of leaders of all the political parties to decide the schedule for holding of fair, free and impartial general elections in the country.

The Council also demanded dissolution of all military courts.

The JUP Council announced if the demands were not accepted by Sept 30 next, the party would take "direct action" for restoration of the democratic rights of the people by initiating a practical struggle.

The General Council held its meeting for over four hours and it was presided over by Pir Barkat Ahmed Shah, Vice-President of the defunct JUP. Over 100 councillors from all the four provinces participated.

MINISTER BERATES MRD FOR STANCE

Karachi DAWN in English 27 Aug 83 p 10

[Text]

LONDON, Aug 26: Pakistan's Interior Minister, Mahmoud A. Haroon has said that the components of MRD had no right to struggle for democracy. BBC reported tonight.

In an interview with BBC in London, where he is these days, Mr Mahmoud A. Haroon said that the components of MRD had no democratic system within their own parties.

Replying to a question as to why the MRD movement was more concentrated in Sind, Mr. Haroon said:

There was a specific coterie which was connected with PPP. Their names were mentioned in large number in White Paper. They were tried and disqualified from contesting elections. Then you must be surprised to note that the big landlords of Sind are in the field today, because their traditional influence and rule is in danger as others were coming forward. The other factor is that formerly they used to concentrate on Baluchistan. But you are seeing that Baluchistan is quiet today because people of Baluchistan and Sarhad had seen the result. They had to regret it. They found a new field in Sind. They incited youth that your prime minister was Sindhi, now that Sindhi P.M. has been removed and nothing has been given to Sindhis. This is how they are bent on inciting Sindhis.

Q: How far is it true that there is substantial sense of deprivation in Sind. For instance in army, government service, trade, they feel that they have a very limited share, and that is why the two things which are being mentioned — Sindhi nationalism and Sindhi separatism — are getting momentum.

A: First of all if you say that most of the Sindhis want separation then I believe it would be a gross misunderstanding. The sense of deprivation has been created. It wasn't there, and to a large extent there is no justification for it. Army recruiting teams visit Sind and Baluchistan twice annually to recruit people. A large number of Sindhis have gone to cadet colleges over the past two years. Likewise, if they had lagged behind in education, it is obvious jobs are not be found so easily. Keeping all these things in view the politicians and others are inciting them. See how many jobs you have. You have fewer men in army. But they don't say why it is so. This sense of deprivation has been created among them.

Mr Mahmoud A. Haroon said that MRD had made up its mind to launch campaign before the announcement of Gen. Zia on Aug. 12. President Zia made the announcement on Aug. 12 but the MRD had already announced that whatever the framework they would not accept it. What would you not accept

when you don't know what it is? Then it had been declared that announcement would be made by Aug 14. At this stage the interviewer interrupted to say that MRD had announced that if the structure was not acceptable then

Mr Haroon: You have a misunderstanding about this. You see all the papers. We know fully well that they had said they would launch the movement from Aug 14. And they stuck to it. Some of the leaders had of course said they would see. . . . But most of them, 99 per cent, had said that their movement is on from Aug 14.

Commenting on the Movement for Restoration of Democracy, Mr Haroon said that the political parties in the MRD had no right to launch a struggle for the restoration of democracy. They have started the movement in the name of democracy but they have no right to start movement for democracy. There is no democracy in Jamiatul Islam. No elections are held. There is Majlis-i-Shoora which is nominated by party President. The PPP which was in power for seven years did not hold party elections even after that and till now they never had any elections in the party. They never introduced democracy in the party.

There's Khairuddin's Muslim League. They didn't have elections.—PPI.

SAFDAR URGES DIALOGUE, READY TO PLAY ROLE

Islamabad THE MUSLIM in English 30 Aug 83 p 1

[Article by Ashraf Hashmi]

[Excerpt]

ISLAMABAD, Aug. 29: Kh. Mohammad Safdar, Chairman, of the Majlis-e-Shoora, while pleading for a dialogue between the government and the politicians for solving the prevailing crisis in the country, has said that if his services could be of any avail in bringing the two sides to a conference table he would be willingly available for it.

Talking to 'The Muslim' here in his office, The Majlis-e-Shoora chairman said, it was wrong to assert that the situation in the Sind province was normal. No purpose, he said, would be served by belittling the facts or closing our eyes on realities.

He appealed to all those politicians, who were not aligned to the government or the MMD's movement, to come forward and instead of paying lip service to the need for normalisation of the situation, visit the troubled areas of the Sind province, meet the leaders and political workers there and after getting

their point of view should inform the government and the people as to how a rapprochement could be brought about.

He said the prevailing political situation in the country has already crystallised the issues, according to which there were two specific questions to be tackled for arriving at a solution. He said one issue was related to the timing of the general elections. The President, he said, had announced that the elections in the country would be held within 18 months. The opposition parties on the contrary want that elections should be held earlier. He said this issue could well be settled through mutual negotiations as a result of which an adjustment between the two viewpoints could be brought about.

The second issue, he said, concerned the proposed amendments in the 1973 Constitution. He said the 1973 Constitution had not been amended as such and the President had just indicated his mind as to what changes he wanted to induct in the constitution. These proposals he said, could also be negotiated and the two sides could resolve the issue at a conference table.

CSO: 4600/896

SIND AGITATION: DIALOGUE RECOMMENDED

Karachi DAWN in English 10 Aug 83 p 7

[Article by A. T. Chaudhri: "Dialogue Is the Way Out of the Crisis"]

[Text]

THERE is an element of Greek tragedy in the current political scenario. For, the first faint glimmerings of the new democratic order have pushed the country into a simmering crisis. And, if it is not defused in time it may rip apart the nation's political fabric and Federal structure.

The government and the Opposition have perilously drifted apart in the past three weeks with little hope of a rational settlement. Perhaps, both have miscalculated — one its sweep of agitation and the other its power of coercion.

If the MRD thought that its civil disobedience movement would spread like wild fire to all the provinces and pull down those perched atop the apex of power, it was apparently mistaken. Likewise, if the government presumed that the protest would fade out in a few days and the police operation would shatter the nerves of the protesters, it was an obvious misconception.

The cauldron is on the boil and if it is true that some foreign Powers have lately begun to pour oil on the fire, it may spill over and engulf not only Baluchistan and the Frontier but even the Punjab, in course of time.

Of course, at the moment the trouble is largely confined to Sind, but some new factors have escalated the trouble. These should give anxious moments to those who do not tire of saying: "God is in heaven and all is well on earth" —

the refrain of a heart-lacerating poem of Voltaire. The cinders of Sind loudly proclaim: all is not well.

New factors

What are the new factors that have made the upsurge in Sind a threat to Pakistan's integrity? First, the protagonists of Sindhi sub-nationalism are now on the upswing. Until yesterday, G.M. Syed was the loneliest and the most rejected politician conceivable. Today, the man whom nobody wanted to know or associate with has come out of political wilderness to ride the crest of the provincial protest. He has even appealed to world powers, through the foreign correspondents who converged on his place, to play their role in "liberating" Sind from the "oppression and tyranny" of the army regime.

The way the advocates of "Sindhu Desh" have been thrown up from their basements to lead the civil disobedience movement clearly indicates that the explosion in Sind did not begin on August 14. It began years ago. It began with stray cases of lawlessness and terrorism which have rocked the province from time to time. These rarely-reported eruptions failed to evoke intelligent analysis by those in power. They were either indifferent or could not understand the frustrations of the new generation and the social conflicts which have been exploited by the hidden secessionists. (In fact, the last regime quietly sowed the wind and the present regime is reaping the whirlwind.)

Secondly, the fragile bridges built by the present regime to end the alienation of the people from the government have suddenly begun to crumble. As the latest reports indicate, hundreds of local councillors from all parts of Sind, including chairmen and vice-chairmen of local bodies, district councils and municipal committees have either resigned their jobs or courted arrest in what has become a court arrest wave.

Feminist element

Among those hauled up by the end of the second week of agitation are said to be 48 former MNAs, 163 members of Provincial Assembly and 13 Senators. (In Karachi alone, 11 ladies, 217 students, 113 labourers and 370 political workers were taken into police custody before the movement entered the third week.)

Thus, the turmoil in Sind is not the handiwork of "a handful of miscreants", as the official publicists would have the world believe. The havoc has been wrought by politicians, by former MNAs and MPAs with sharply divergent affiliations, the Pirs and Waderas, by workers and peasants and by the rural and urban multitudes. What is most alarming is that the student power has broken loose and the ghost of Marcuse is stalking the campuses.

Thirdly, it is no less alarming that the feminist element has been suddenly introduced into the movement. It led to the enactment of a gory drama, at Moro, the other day which has hit headlines in the world news media. Again, the lawyers from all over the country have jumped into the fray — though in a peaceful and restrained

manner.

Then, the movement has begun to touch responsive chords in other provinces. Indeed, one shudders to think what would happen if the strike in Quetta proves to be the harbinger of a populist uprising, or the tinder box of the Frontier catches fire before long and, last but not least, the much-maligned Punjab also erupts to cut across provincial sentiment.

Lastly, the sustained movement with overtones of violence has already ~~tarnished the image~~ of Pakistan as a homogenous nation. Commenting on the "lack of unity" among the four provinces, a leading British journal recently observed: "If Pakistan faces a threat to its security, it comes not so much from Russian-occupied Afghanistan or from the Indian army but from its own internal fragility." Nothing could be more true than this, for once the national moorings are loosened by a drawn-out conflict, a country must tempt external intervention, even aggression.

Showing due awareness of the gravity of the situation, the President has, while reiterating his resolve to root out violence from national politics, lately dropped broad hints that he does not consider his political framework to be a "divine" writ. He is now prepared to discuss it with "patriotic" political leaders, since he believes that "political issues should be settled politically." The leaders of the MRD, too, no more seem to be averse to holding a dialogue with the Martial Law regime, provided it announces immediate lifting of the Martial Law and general elections within 90 days. In other words, an unconditional dialogue is ruled out.

The "ifs" and "buts" apart, there are straws in the wind to indicate

that the government and the oppositionists may at last modify their rigid attitudes and edge towards a conference table — unless the hawkish elements on either front adhere, wittingly or unwittingly, to the Leninist tradition: "conflicts, not cooperation."

The MRD must have realised by now that it is not possible to keep the agitation within peaceful bounds and that if it persists in treading the path of violent confrontation, some external forces may sooner or later, intervene like the fisherman of trouble waters. That would be catastrophic.

Reliance on force

The government leaders also cannot seal their eyes to the reality that resort to force can provide only a stop-gap solution to a national crisis. Exclusive reliance on force proves to be self-defeating in the long run. At times its ultimate consequences are too horrible to contemplate.

Before a stage is reached when even the option of a dialogue is closed by the march of events, the two sides should revise their presumptions, alter their priorities and engage in constructive talks. Let them sup with each other with long spoons but in a spirit of give-and-take.

Bertrand Russel was very right, indeed, when he said: "Resistance, if it is to be effective... should be combined with the greatest degree of understanding and the smallest degree of force..." The very future of this baffled nation hinges on adhesion to this balanced approach by those who are out to match State power with street power.

MINISTER CLAIMS NO DANGER TO SIND POLITICS

Karachi DAWN in English 10 Aug 83 p 8

[Text] Talpur--The Defence Minister, Mir Ali Ahmed Khan Talpur, said that 99 per cent of people of Sind believe in the solidarity and strength of Pakistan. Just a handful of people can never pose a danger to the province as they have no roots among the masses, the Minister said while speaking at a Defence Day celebrations function here on Friday afternoon.

Mir Saheb said that Pakistan will remain among the comity of nations as long as a single Pakistani lives.

He said that Sind has a unique honour of being the gateway of Islam in South Asia and will remain "Abul Islam" for ever.

Referring to recent events in Sind, the Defence Minister said the so-called movement was launched by those elements who were responsible for exploiting the people and their rights. He said such elements can never befooled the people again.

Mir Saheb said the present Government was sincere in its plan to handover power to the elected representatives of the people and will strictly follow the programme announced by the President recently.

The Defence Minister said that those who trampled the rights of the people could not provide leadership to the country.

He said that if at all they had any difference with the plan given by the President, the same could be settled through negotiations but the politics of violence cannot be allowed.

Referring to a particular defunct political party, the Minister said that in view of their agitational politics they cannot be regarded as sincere to the country.

Begum Mahmooda Sultana, Member Federal Council, speaking on the occasion advocated for the rights of the people of Karachi. The meeting was also addressed by Maulana Wahajuddin Chishti, convenor of Istekham Pakistan Council, who supported the election programme given by President Mohammed Zia-ul-Haq.--APP

SIND POLITICS EXAMINED; GIVE-AND-TAKE URGED

Karachi DAWN in English 27 Aug 83 p 7

[Article by A.T. Chaudhri: "Politics of Violence in Sind"]

[Text]

THE way Sind has exploded since the last Independence Day cannot but send shock waves in the body politic of this country. What was launched as a peaceful movement for democracy, from the Quaid's mausoleum, has turned into a violent, rather terrorist, free-for-all. This is most dismaying and disturbing to say the least.

For some time there was an uneasy calm in this sensitive underbelly of Pakistan. But nobody, not even the most dismal cassettes, suspected that the dormant volcano of Sind would suddenly erupt and its lava of discontent would flood every nook and corner of the province.

Until recently, the big "Waderas" in the corridors of power would have the onlookers believe that the urban and rural multitudes of Sind, who did not stir when Butto was sent to the gallows, cannot be swayed into violent agitation by the MRD-PPP demagogues. But now Bhutto's ghost seems to be stalking the land and crying havoc.

The ferocity of the tide of agitation that has swept both urban and rural Sind cannot be whittled down by dismissing it as a parochial aberration, or merely a law-and-order problem. The situation on the ground is alarming and not at all

"under control" or "satisfactory" as official spokesmen have boldly claimed. Nor do the violent twists and turns of the political kaleidoscope of this province warrant an ostrich-like attitude. The portents are clearly bleak.

The very fact that town after town, as also remote villages, have exploded like a long row of dominoes — and that in the first week of the current agitation — should send a cold shiver down the spine of the most hard-nosed administrators. Even the MRD activists and PPP militants who launched the civil disobedience movement, after a series of political zigzags, did not perhaps bargain for the anarchy which has overwhelmed Sind. One doubts if they visualised that their peaceful political movement, would be instantly taken over by angry students, radical groups of peasants and workers, despondent extremists and a motley combine of Maoists and anarchists, who are outside the MRD fold and PPP's orbit of control.

1971 drama

The very targets of mob-fury — government offices, banks, courts, colleges, post offices, railways, jails and arsenals — indicate that some groups of agitators are playing at higher stakes. Chanting the slogan of "Sindhu Desh", they seem to be bent upon enacting the 1971 gory drama of Bangladesh. If this is not alarming, what else could be?

True, the slogan of "Sindhu Desh" is not a recent outburst. It was heard, of course, in a low key, during the Bhutto era. (Maybe, it was nursed by the ruling elite to blackmail the bigger constituents of the Federation). But the way some "talented cousins" of the executed Prime Minister have made a common cause with separatist forces of Sindhi sub-nationalism — for example, G. M. Syed's Jiye Sind Students Federation and the leftwing Sind Awami Tehrik (SAT) headed by Rasul Bux Palejo with Maoist leanings — shows how some political malcontents have drifted away from the original mandate of the MRD.

Their talk of "confederation" and the right of provinces to secede from the Federation is analogous to the political credo of the PNP high priests in Baluchistan, who reject the 1973 Constitution and wish to turn Pakistan into a loose Federation. If this sudden upsurge of local nationalism gathers momentum, it might loosen the national moorings. Does this not ring an alarm bell for the Martial Law regime?

Tilt towards MRD

The present regime appears to feel complacent that the politics of violence is confined to Sind and may be brought under control by the provincial government with the support of pro-establishment groups. This may turn out to be a misconception, rather gross miscalculation. In the first place, the turbulence in Sind is not a law-and-order problem to be tackled by the provincial authority with the help of the police or army units patrolling the disturbed areas. It is the Federal Authority that has to come to grips with the deteriorating situ-

ation on the administrative-cum-political plane. Nothing short of it can possibly calm down the roaring furnaces.

Secondly, as things are, excessive reliance cannot be placed either on the security forces or on the pro-regime groups (Latest reports indicate that even the Pagaro hordes are itching to jump into the fray). Again, the non-Sindhi element which dominates the cities is said to have a perceptible tilt towards the MRD. Even those who have not come under the penumbra of the MRD, such as the followers of JUP, may like to strike a blow for democracy.

Pastly, there are omens that the contagion of violence in Sind may before long spill over the borders. In Baluchistan, the PNP may tread the path of confrontation though it is till sitting on the sidelines. In the Punjab, there is loud talk about stepping up the agitation in the districts without resort to violence.

Before a stage is reached where men fail to control events and events begin to control men, some rethinking must be done both by the government and the politicians. The protagonists of the MRD have to take care that their movement is not hijacked by outsiders and secessionists who subscribe to violence as a creed and openly proclaim "this is the age of violence." That would be counter-productive, for it would alienate populist forces which stand for a peaceful struggle for democracy, not for anarchy or nihilism.

The Government, on its part, has to think of resolving the current impasse without further resort to "stern measures". Despite the arrests of about a thousand MRD activists — half of them in Sind alone — despite the use of force which has taken toll of some two dozen

agitators, despite summary trials, by military courts and flogging of some 70 political workers (who could not be treated as criminals) at the end of the first week of agitation, the trouble has not subsided. It has not subsided because violence as well as force have a chain-reaction. They invariably boomerang.

Indeed, those in power have the means to suppress by force the trouble in Sind. But that would only drive the trouble-makers underground and they might live to fight another day. Instead of opting for a temporary solution of the new crisis with a new focus, it may be advisable for the government to probe the prospects of a reconciliation with the politicians who have raised the banner of revolt. Of course, governments can be run without political parties, but government sans politics is all sail and no anchor.

Recondition

The only prudent course to follow would be for the generals to initiate an open-minded dialogue with the politicians, before time runs out. The objective should be to evolve a national consensus on the new political framework. It has to be revised and reconciled with the quintessential demand of the MRD: general election under the 1973 Constitution. Both the generals and the politicians have to show a spirit of compromise and give up rigid attitudes.

That alone can help defuse the national crisis which has begun to cast an ominous shadow on the country. It has darkened the horizon of Sind and may soon spread like an eclipse over the entire landscape of Pakistan. This deepening crisis must be resolved in a spirit of give-and-take before it is too late.

LEADER SAYS HATRED IN SIND AT EXTREME

Karachi DAWN in English 27 Aug 83 p 6

[Text]

A leader of the defunct Pakistan Peoples Party and ex-Attorney General of Pakistan Mr. Yahya Bakhtiar has said that the MRD is a national movement and not a Sindhi movement.

In an interview with the BBC broadcast on Friday, Mr. Bakhtiar claimed that hatred against the present Government existed equally all over the country but in Sind it was on extreme because Prime Minister Mr. Bhutto who was from Sind was executed by the present military government.

He said there was no participation of Sindhis in armed forces which has created a sense of deprivation among Sindhis.

Replying to a question he said it was possible that separatism was developing among Sindhis now. Pakistan, he said, was a federation in which every province should have the right of representation. Their rights must be protected. But rights of Sind, Baluchistan, NWFP and even Punjab had not been protected during the last six years, he said.

He called President Zia-ul-Haq a 'military dictator'. He said because of these circumstances separatist elements were now gaining grounds.

Mr. Bakhtiar said he was always opposed to the agitation but if all means of peaceful protest are blocked, the only way left is use of force.

Mr. Bakhtiar said General Zia was trying to win support of people of Baluchistan through extensive development programmes in that province.

Mr. Bakhtiar said democracy could not be purchased with money. He disclosed that students there have gone underground. They were punished with lashes and were in jails also.

Mr. Bakhtiar admitted there had been progress in Baluchistan but he said development programmes were also carried out by Bhutto government.

About the new political structure announced by President Zia, Mr. Bakhtiar said it was a formula for extending the period of present government. He agreed with the London Times that the structure was tailored constitution. He termed it as "Sherwani".

Mr. Bakhtiar said by this formula President Zia was trying to govern for ever, dismiss parliaments, Prime Ministers and nominate etc. so that the military government remains in power in some other shape.—BBC

FEDERAL OMBUDSMAN RECEIVES 1,000 PETITIONS

Karachi DAWN in English 24 Aug 83 p 10

[Article by Hasan Akhtar]

[Text]

ISLAMABAD, Aug 23: About one thousand petitions have already been received by Mr Justice Sardar Mohammad Iqbal, the Federal Ombudsman, within a fortnight of his assuming the office seeking redress of grievances against one or the other Government department or authority.

In an interview with 'Dawn' on Tuesday the Federal Ombudsman confidently expressed his determination to deal with the challenging task of helping the aggrieved citizenry, although he recognised the enormity of problems involved in his work.

Justice Sardar Iqbal pointed out that at present his assignment did not include entertaining the public grievances against provincial governments or authorities. But he hoped that in course of time the system would be evolved to respond to petitions at the provincial level as well.

He pointed out that even with his jurisdiction confined to the federal sphere, he was supposed to deal with grievances which may relate to any of about 430 federal ministries, divisions, corporations, banks, airlines, Railways, WAPDA, Telephone and so many other centrally-administered departments and agencies including the Federal Investigation Agency (FIA). The FIA has already been directed to furnish list and particulars of cases which have been awaiting decision.

The Federal Ombudsman emphasised

the need on the part of the public to demonstrate courage by identifying the grievances boldly and honestly. He said it was essential that aggrieved person or persons should make petition in accordance with the stipulated procedure and avoid making anonymous petitions which as a rule are to be filed without further action.

The Ombudsman apparently believes in the dictum 'justice delayed is justice denied' and said that his priority would be to ensure that expeditious action was taken on the references he made to various official departments in respect of complaints and petitions. He expressed the view that where inordinate delay was made in dealing with a case, it implied that someone wanted to have illegal gratification. If the Ombudsman was able to secure expeditious action, it would in all likelihood, obviate the need to pay bribe, he added.

Answering a question, Justice Sardar Iqbal said that he would also be able to intervene in such cases where injustice appeared to have been done in formulation or implementation of a Government or official policy. Similarly, he further said, the Ombudsman could entertain petition or representation made by a candidate (not Government Servant) who had reasons to believe that his selection for a post under the Government was bypassed for unjust reasons.

The Federal Ombudsman said that it was open to him to initiate

proceedings suo moto if it came to his notice that some Government action or policy tended to hurt the interests of the citizens. Justice Sardar Iqbal, however, explained that his secretariat and office could not serve as a judicial court and there were going to be no public hearings into complaints accepted for action by his secretariat.

Answering questions about the financial allocation made for establishing the Federal Ombudsman Secretariat and for the salaries and allowances of the officials, Justice Sardar Iqbal said that he did not believe that a sum of Rs 30 million earmarked for his secretariat was too much. He said there were 17 officers in the Secretariat which would be expected to deal with public complaints, initially received at the rate of 66 per day. Indeed, he further said, this average was expected to rise higher with the passage of time. In comparison with this, he said, in England Ombudsman received about 700 petitions or complaints in a year.

Concluding Justice Sardar Iqbal asked the Press and enlightened public opinion to offer their advice and suggestions to him without hesitation in order to make the Secretariat and office of the Ombudsman efficient and effective. He said he was already cognizant of some comments and suggestions made in newspapers and was trying to see how best they could be accepted in facilitating his functions.

JUP LEADER ACCUSES MARTIAL LAW REGIME OF REPRESSION

Karachi AMN in Urdu 28 Jun 83 p 1, 6

[Text] Karachi, 27 Jun, AMN dispatch--The leader of the Jamiatul Ulema-e Pakistan (JUP), Mr Allama Shah Ahmad Noorani, has said that the 70 million people of Pakistan are political prisoners. The present regime has turned the whole country into a concentration camp. Mr Shah Ahmad Noorani was talking to reporters today at his residence on the occasion of the fast-breaking feast. He said that basic rights and the constitution are suspended in the country. Freedom of the judiciary has been taken away and the whole country has become a prison cell. In such a situation, no political party can know the number of political prisoners in the jails because the police and members of other covert organizations forcefully enter the homes of opponents of the government at night and take them away. Even the people in these houses do not know the whereabouts of their relatives. Maulana accused the government of establishing centers for torture and detention near Hub Dam at Sukhar, Haripur, Attock and several other areas. He said that there is no law and order in the country; there is only martial law. In response to a question, Shah Ahmad Noorani said that the Afghan refugees will have to return to their homeland. The present regime has raised a publicity issue over the Afghan refugees, with the backing of the American Government. The defunct Jamaat-e Islami and the Islami Jamiat-e Tulaba (IJT) wish to achieve their dirty objectives through the Afghan refugees. Through them, the Islami Jamiat-e Tulaba has committed murders everywhere. In any university or college of the country, wherever the mass murders of students have been committed, the IJT and the Afghan refugees are involved in them. Only an elected government has the right to talk with the United Nations or any other international organization about the Afghan refugees. The current regime does not have this right. In any dialogue about the Afghan refugees, the participation of their representatives is essential. Replying to a question about the national budget, Shah Ahmad Noorani said that the budget is not even worth commenting on. The lava that is smoldering in the country will very soon boil over and find its own way, which can also be dangerous. That is why, even 6 years ago, we proposed to the present regime that the problem be resolved through discussions. All political parties should be summoned and after talks with them, a modus operandi should be devised, but the government failed to act on our proposal, whereupon the political parties wanting to better the country, acting on their own, joined together to seek a solution to the current situation, and they demanded a roundtable conference. But the government has not yet allowed it to be

successful; instead, it has ridiculed us. President Ziaul Haq said that if the political leaders want to know the prices of vegetables, they should go to him. He will tell them the prices of vegetables. The present regime closed all avenues to mutual understanding and itself added so much to the hardships of the people that today the people are ready to initiate a response. With regard to celebration of the Black Day by the MRD, he said that his party will think about participating in it, although every minute, every hour and every day of martial law is a Black Day. If the people initiate any action against the current government, they would be justified. A large number of the leaders of the Jamiatul Ulema-e Pakistan participated in the fast-breaking feast, including Prof Shah Faridul Haq.

9779

CSO: 4656/213

NOORANI MEETS PPP LEADER

Karachi DAWN in English 13 Sep 83 p 6

[Text]

HYDERABAD, Sept 12: The Chief of defunct JUP, Maulana Shah Ahmed Noorani, accompanied by Maulana Abdul Sattar Khan Niazi, Prof. Shah Faridul Haq and Pir Barkat Ahmed Shah, called on Mukhdoom Mohammad Zaman Talibul Moula, Senior Vice-Chairman of the defunct PPP, at his residence at Hala, about 35 miles from here, on Monday.

For about two hours they discussed the political and law and order situation obtaining in Sind.

They also offered Fateha at the Shrine of Hazrat Mukhdoom Nooh for those who lost their lives in the MRD movement.

Later talking to newsmen they expressed their hope that their talks with Mukhdoom Sahib would yield tangible results.

Maulana Shah Ahmed Noorani told newsmen that he fully supported the MRD campaign which, he said, was not only for the resto-

ration of democracy but also for the unity and integrity of Pakistan.

He said martial law and Pakistan simply could not co-exist, and called for early withdrawal of martial law.

Answering a question, Maulana Noorani called local bodies elections a "hoax".

He refuted the claim that the MRD movement was confined to only a few pockets under the leadership of some vested interests and that there was no political unrest in Sind.

The Maulana also deplored the Government action against local ~~Sindhi dailies~~ for projecting the MRD campaign, and restrictions on their advertisements, and condemned this as "arbitrary action."

He reiterated that his party could launch its own movement for the restoration of democracy from Oct 1.

CSO: 4600/909

SPOKESMAN SAYS VIOLENCE NO CHALLENGE TO ZIA

Karachi DAWN in English 27 Aug 83 p 10

[Article by Yehia Syed]

[Text]

LONDON, Aug 26: Appearing last evening on TV "Channel 4 News", Mr Qutubuddin Aziz, introduced as "Regime's spokesman in London," dismissed the current "street localised violence, affecting only four counties of Sind" as "posing no serious challenge to President Zia". The Government was fully prepared "for the upheaval which the MRD and the Opposition parties had threatened on Aug 14", he said.

Nothing of the sort happened, Mr Aziz added. Only in the province of Sind, he said, where "Bhutto clan has its sway" some disturbances took place. It did not happen either in the Punjab, NWFP, or in Baluchistan, he added.

The Government is so much in control of the situation that only yesterday Gen Zia told some 25,000 people who had welcomed him in Karachi, that he was proceeding to Turkey on a State visit on Aug 29, as planned.

There is no censorship in Pakistan, Mr. Aziz said, and any Western journalist is free to go

there and report the situation as he sees it. He insisted that the journalists are free to report. He said the Government is determined to hand over the country to the elected representatives of the people in some 18 months' time after the elections for the Local Bodies, Provincial and Federal Assemblies and the Senate have been held.

The elected Assembly will have the right to challenge the amendments which would be made in the 1973 Constitution, to balance the powers between the president and prime minister.

The Opposition point of view was presented by Sardar Mazhar Ali Khan, former PPP MNA, living in exile here. He called the present regime illegal, unlawful, having no mandate to change the 1973 Constitution, or to rule. When challenged by "Channel 4 news" interviewer, why the Opposition can't wait for 18 months for civilian rule to return, Sardar Mazhar Ali Khan could not give any convincing reply.

BRIEFS

PRESSNOTE ON MAZARI'S HEALTH--Multan, Sept 7: The District Magistrate, Multan, has said that Mr Sher Baz Mazari, was not suffering from heart trouble and his health was normal. The following Press Note was issued in this regard this evening: "Some newspapers had published a statement attributed to the wife of Mr Sher Baz Mazari the other day about his health which is not based on facts. "The correct position is that Mr Sher Baz Mazari is not suffering from heart ailment and his health is normal. "On Sept 3 Mr Sher Baz Mazari complained of pain in his chest and on this Associate professor of Nishtar Medical College, Dr Abdus Shakoor, was sent specially to examine him. Dr Abdus Shakoor examined Mr Mazari in the rest house and gave him prescription in the light of the health position explained by Mr Mazari and consulting his previous medical record. "At the time of examination by the doctor pulse, blood pressure and ECG of Mr Mazari were found normal. "However for further satisfaction the heart specialist of the Nishtar Hospital, Dr Farooq Nazir, is being sent today to examine Sardar Sher Baz Mazari".--APP [Text] [Karachi DAWN in English 8 Sep 83 p 11]

LAWYERS EXPRESS RESENTMENT--Lahore, Sept 7: Representatives of lawyers in different parts of the country took exception to the remarks about the alleged payment of money to the families of lawyers who courted arrest in the MRD movement. Syed Afzal Hyder and Mr Mansoor Malik, Presidents of the Lahore High Court and District Bar Associations, in their separate statements, said it was an "insult to the community and the profession." According to Our Sukkur Correspondent a joint meeting of the Managing Committees of the High Court and District Bar Associations here termed those charges "baseless, false and obnoxious." A resolution passed at the meeting said that the community was rendering sacrifices to save the country. The meeting also criticised the punishment awarded to Mr Siddiq Kharral, an advocate, and appealed for international intervention on this issue. [Text] [Karachi DAWN in English 8 Sep 83 p 14]

PPP MAN ARRESTED--The police on Monday hauled up one Zafar Iqbal Chattha, as he landed at the Karachi Airport, from a PIA London flight. He has been charged with indulging in anti-Pakistan activities. Mr. Chattha was a member of a five-man batch of the defunct PPP, reportedly sent from London by Mr. Ghulam Mustafa Khar to take part in the MRD movement. His four colleagues were off-loaded at the Heathrow airport. According to police sources this was the second batch sent to Pakistan from London. The first batch of five activists of the defunct PPP was arrested at Islamabad airport recently. [Text] [Karachi DAWN in English in English 13 Sep 83 p 6]

BENAZIR BHUTTO'S AUTOBIOGRAPHY--Karachi, 3 Sep (N.P.)--According to the Calcutta daily TELEGRAPH, PPP interim chairperson Benazir Bhutto's autobiography "Pakistan: A Gathering Storm" is soon to be published in India by Vikas Publishing House. Vikas has also published Tehrik-e Istiqlal leader Asghar Khan's "Generals in Politics." In her autobiography Benazir is said to have confirmed the fact that under her father's leadership Pakistan had outlined an urgent nuclear program and that the denials of the present regime in this regard were baseless. Benazir has also castigated the martial law government and stated that Pakistan was no longer a free country. [Excerpts] [Karachi AMN in Urdu 4 Sep 83 p 6]

PROPOSED FRAMEWORK CRITICIZED--The National Council for Civil Liberties is convinced that the amendments proposed in the 1973 Constitution by the President on Aug 12 will upset the structure of the Federation of Pakistan, the Council's Acting Secretary-General, Mrs Rukhsana Zahoor told newsmen in Karachi in Thursday. In addition, the Council noted that in balancing the powers of the president and the prime minister, a presidential system of government, already rejected by the people, was being enforced once again. She said that a committee of Ulema and experts in Islamic jurisprudence, appointed by the Council, had held that in an Islamic polity to take "Bai'at" (sanction) of the people was the first and foremost obligation of a ruler, but in Pakistan elections had been postponed twice on one pretext or the other. She expressed NCCL's solidarity with the MRD in its pro-democracy movement. [Text] [Karachi DAWN in English 27 Aug 83 p 8]

TUFAIL CALLS FOR 1984 ELECTIONS--Lahore, Aug 26--Mian Tufail Mohammad, chief of the defunct Jamaat-i-Islami, has called for making arrangements to hold National and Provincial Assemblies' elections under the proportionate representation system by March 1984, and withdrawal of restrictions on political parties and their activities to overcome present crisis.--PPI [Text] [Karachi DAWN in English 27 Aug 83 p 10]

LITERACY SAME AS IN 1947--It is really intriguing that as we enter our 37th year of independence, which also is the launching year for the Sixth Five Year Plan (available in its draft form in print but yet to be finalised), our real literacy rate has not improved since 1947. There are examples of countries getting independence more than a decade later than us and achieving up to 100 percent literacy. Why is it that while, despite the oppressive feudalism and compulsive import of grain that would otherwise have to be consigned to the ocean or to the flames, Pakistan succeeded in re-attaining self-sufficiency in wheat, all efforts at achieving 100 percent literacy have failed? Isn't it because of a conscious 'policy of under-education and illiteracy' to meet the requirements of 'planned under-development'? One suspects so. For how could it be that the only Professor of mathematics who was left in the country has also left the country, as the Federal Minister informed his audience when asked how could there be progress in the field of education when all those who could teach were either being thrown out of the campuses or allowed to leave the country? [Text] [Lahore VIEWPOINT in English 18 Aug 83 p 11]

PERMISSION TO SEE ASCHAR DENIED--ISLAMABAD, Aug. 28--K.H. Khurshid, President of Azad Jammu and Kashmir Liberation League accompanied by Ch. Mohammad Suleman Secretary General of the party and Ch. Pinnu Khan, Vice-President of Liberation League were refused permission by authorities to meet Air Marshal (Retd) Asghar Khan at Abbottabad this afternoon, according to reliable sources. They said Mr. Khurshid and his companions sought permission on humanitarian grounds because they had learnt that the Air Marshal was seriously ill. All the leaders of the Liberation League have condemned this attitude of the authorities, the sources added. [Islamabad THE MUSLIM in English 29 Aug 83 p 8]

NDP LEADER'S CHALLENGE TO LAHORE DAILY--Peshawar, 22 Jun, AMN dispatch--National Democratic Party's executive general secretary, Alhaj Ghulam Mohammad Billore, says that not only did Khan Abdul Ghaffar Khan but Islamic scholars such as Maulana Maudoodi, Allama Inayatullah Mashriqi, Maulana Ataullah Shah Bukhari, Maulana Hussain Ahmad Madni, Maulana Ubaidullah Sindi and Maulana Abul Kalam Azad also disagreed with the Muslim League's viewpoint in Pre-Partition India. To this day, none of these elders have sought forgiveness for their supposedly erroneous stand regarding their opposition to the division of India. Commenting on an editorial published in a Lahore daily, he said that extremely indecent language was used in this editorial against Wali Khan. Those lobbying for America and Israel, instead of attacking should prove that Wali Khan's stand regarding the division of India was incorrect. However, they will also have to show whether today the Muslims of the subcontinent are more united than before, that independent Muslims have never been deprived of their basic human rights and that they have not been ground again and again under the heel of martial law. The editorial says that a Muslim either gains freedom or migrates. Should a conclusion be drawn from this that the dear contemporary is inciting 150 million Muslims to migrate? Warning such elements, Haji Billore said that abusing other leaders is synonymous with throwing stones at others while sitting in a glass house. [Text] [Karachi AMN in Urdu 23 Jun 83 p 1] 9779

FRUIT, VEGETABLE EXPORTS CRITICIZED--THE PRICE of onions has been rising almost 50 paises a day during the past two weeks. On the 5th August it was Rs. 1.75 per kilo whereas today (20) it is Rs. 4.00 per kilo. This tendency is indicative of similar rise in other less perishable vegetables, threatening serious concern to house wives. The 6th Plan with its laudable objects and targets has asked for export of vegetable and fruits. This export has perhaps begun irrespective of the interests of national consumers. Proper programming for implementation of the Plan is essential otherwise instead of raising the living standard of the people it may lead to chaos in the economy of the common man. Before encouraging or permitting export of vegetables it has to be ensured that enough vegetables are grown to feed export demands without straining the supplies to local markets. S. MURTAZA SHAH, 324, Line Chinnar Road, Abbottabd. [Islamabad THE MUSLIM in English 29 Aug 83 p 4]

KHAR'S BROTHER ARRESTED--MUZAFFARGARH, Aug 29--Malik Ghulam Miladi Khar, younger brother of former Punjab Governor, Ghulam Mustafa Khar, was held by the police from his native village, Khar Gharbi, today. He was arrested under MLO-12 and detained in local jail for three months. [Islamabad THE MUSLIM in English 30 Aug 83 p 8]

GUL ON SETTLING IN INDIA--London, Aug 26--Pakistani lawyer Aftab Gul, from whose Lahore house the police discovered two WAM-7s, in a statement has "unequivocally and categorically" denied "that at no time during my conversation with Mr Asish Ray (London correspondent, "Telegraph," Calcutta) in London, I expressed a desire to seek political asylum in India and consequently to settle down in that country." "I am a loyal Pakistani, Mr Gul said in his statement to "Telegraph." "In spite of the fact that I am now forced, by the pressure of conditions in my country to seek asylum in Great Britain, I have every intention of returning to Pakistan." "During my conversation, Mr Gul said, "with your correspondent I did not express the desire to seek asylum in India." [Text] [Karachi DAWN in English 27 Aug 83 p 6]

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